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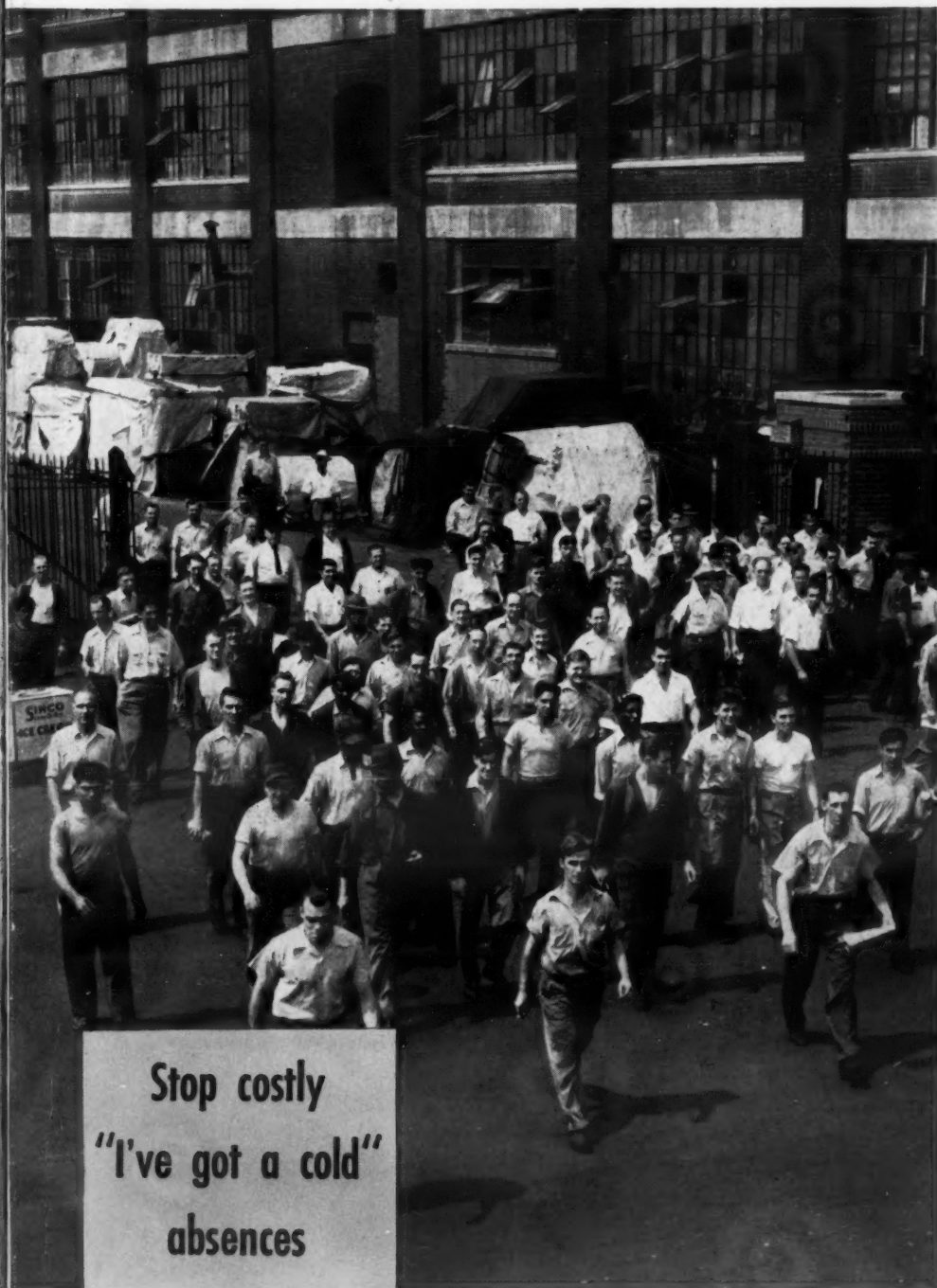
FEB 16 1960

Management

METHODS

FEBRUARY 1960

PRACTICAL SOLUTIONS TO ADMINISTRATIVE PROBLEMS



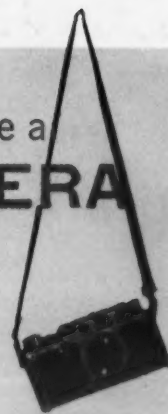
Stop costly
"I've got a cold"
absences

How to
fire
someone



WHAT DOES IT COST TO
LEASE AN
AUTO FLEET?

How to use a
CAMERA
in your
business



SEE COMPLETE
CONTENTS ON
PAGE 3

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Managers can stop unnecessary absence



Royal® Viscount Reception Seating gives you the look of custom design with complete flexibility of arrangement!



New Royal VISCOUNT is superbly versatile. It's designed and constructed with completely interchangeable units for infinitely varied arrangements — as modular groupings, or free-standing pieces.

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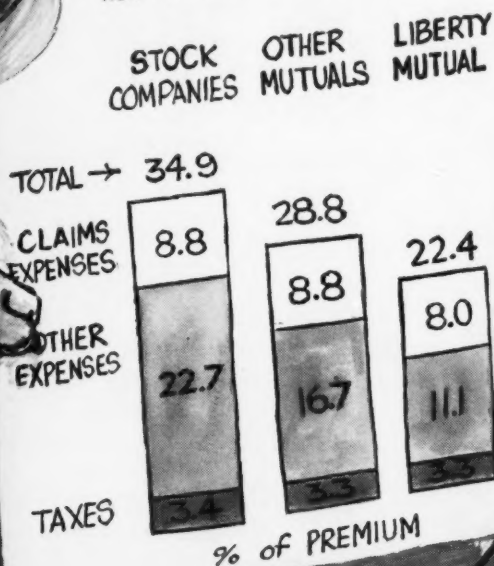
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FEBRUARY 1960

Management

METHODS

Volume 17

Number 5

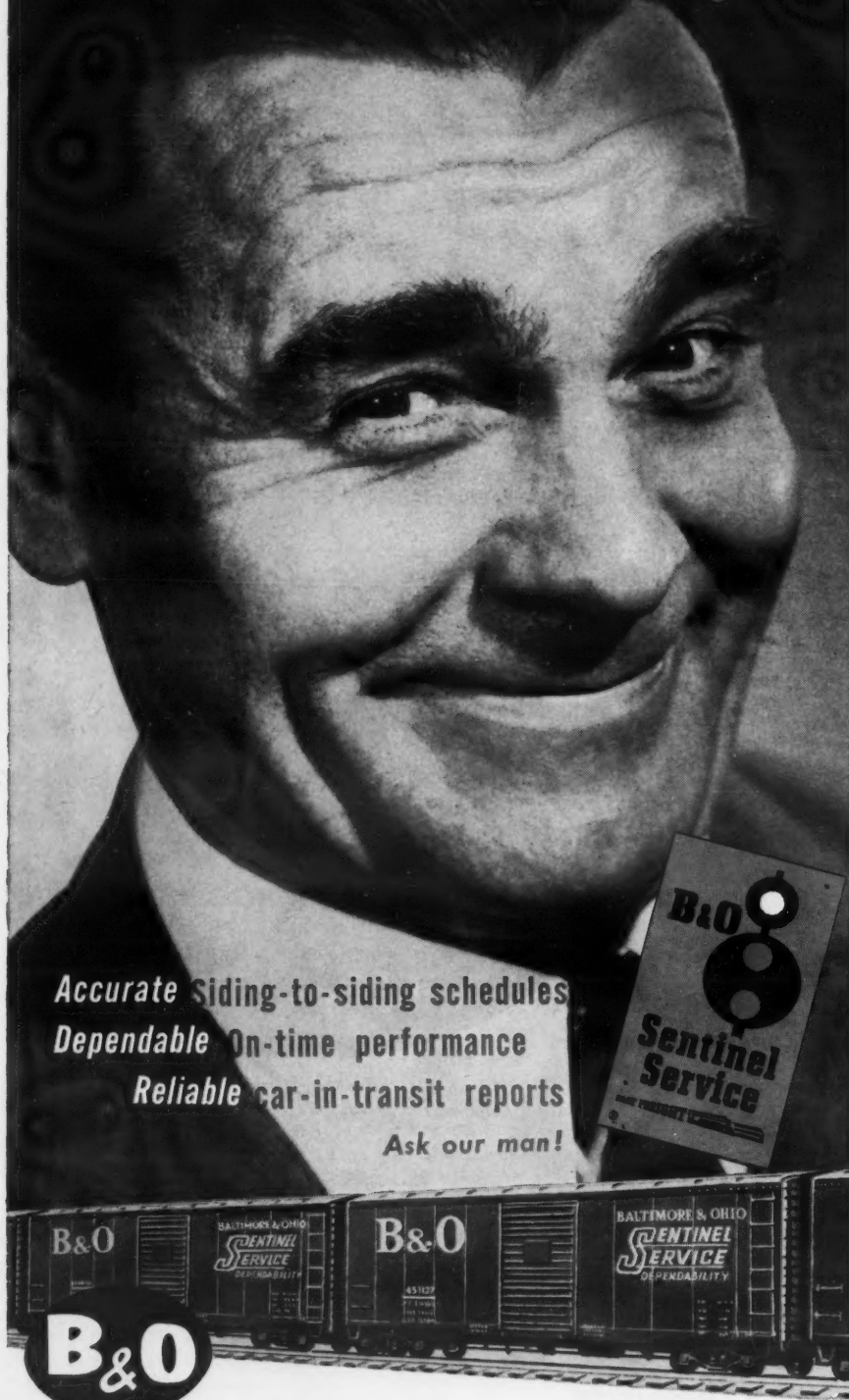
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Management

METHODS®

Volume 17

Number 5

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MANAGEMENT METHODS

*"Looks like
I'll be here all night, Boss,
there's not a garage open"*



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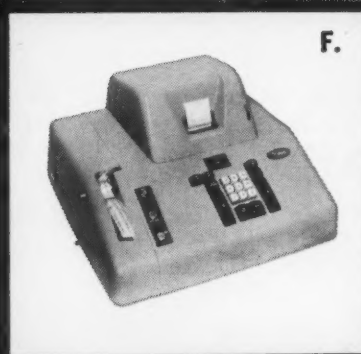
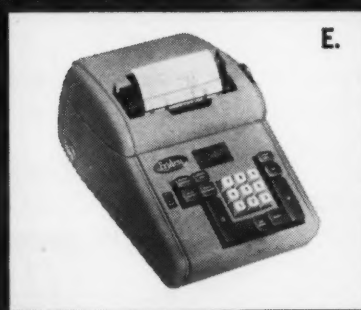
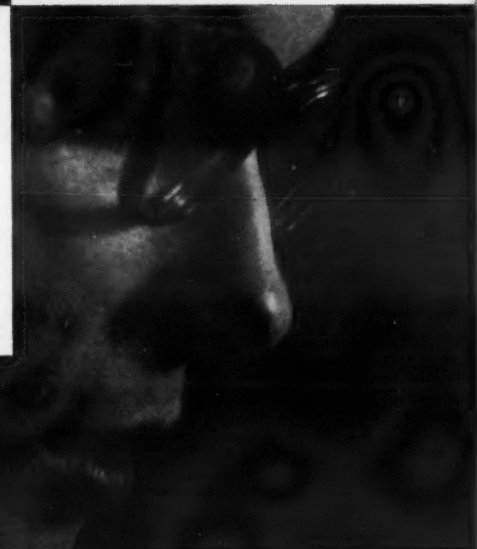
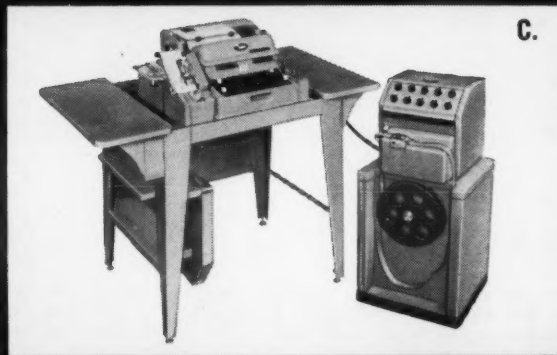
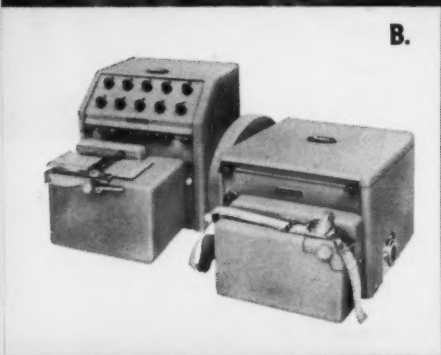
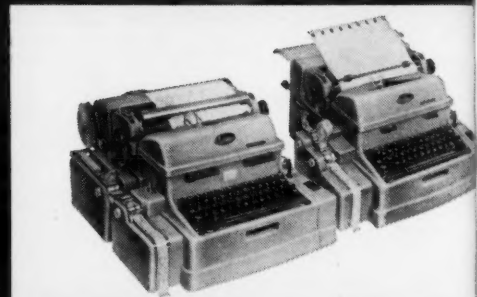
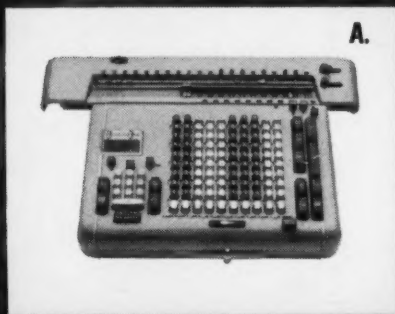
For more information, call your local Hertz office. Or write for the fact-filled booklet, "How to Get Out of the Truck Business," to Hertz Truck Lease, Dept. D-2, 218 S. Wabash, Chicago 4, Illinois.



(Circle number 138 for more information)

PRACTI M

*Prerequisite
for PractiMation:
Practical business
equipment, so easy
to use that no special
personnel are needed
to operate it.*



MATiON

*A new word, which means more than automation,
for it is the custom-fitted application of today's finest
automation equipment to your particular needs...*

Friden announces a new concept of office automation... automation so hand-in-hand with *practicality*, there can be no other word for it.

This is a culmination of Friden's years in integrated data processing research and development. It is Friden's assumption of responsibility for the most important phase of automation—its practical application!

The first step to PractiMation is a critical analysis of your office. Second, an outline of your objectives for increasing the efficiency of your present employees. (No need to think in terms of replacements or additions to your staff.) Then, consult your Friden man. He is an expert in his own right, and has solved a good many

problems similar to yours. His help can be invaluable.

That is "phase one" of your program. Next, you need equipment. Practical equipment, which can be used by your present personnel without special training; equipment which is sanely priced, easy to install. And, above all, equipment which is expandable with your business. But with so many business machines available today, it's hard to choose a particular one or combination of them which would be most practical for you.

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B. Friden COLLECTADATA®—a new system for accumulating data from many or widely separated points of origin, and for channeling it to a central processing point. Stations may be strategically located in any number of departments where data originate.

C. Friden FLEXOWRITER® (Model SPS) and SELECTADATA®—the Flexowriter is an automatic writing machine which produces a code-punched tape while writing an original document. The punched tape automatically creates other records, eliminating the continuous and costly manual reprocessing of data. The Selectadata searches out and prints selected data in punched tape. It

can be programmed to select specific items in invoicing, names and addresses, any of scores of specified item data.

D. Friden JUSTOWRITER®—any typist becomes a skilled type compositor as her typing on the Recorder unit produces both a typewritten sheet for visual check and punched paper tape which the Reproducer unit "reads" and reproduces with all lines perfectly justified. Automatically provides professional-looking composition for offset reproduction right in your office.

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F. Friden ADD-PUNCH® (Model APT)—Outstanding example of punched tape accounting efficiency. Lists figures and totals

on adding machine tape... at the same time, selected data is punched into tape to program for subsequent automatic processing—payrolls, audits, inventory control.

G. Friden COMPUTYPER® (Model CTS)—writes and figures a complete invoice in one operation with virtually no operator intervention. Reads alphabetical or numerical data from punched tape, edge-punched cards or tabulating cards; data not pre-punched is entered through the typewriter keyboard. The Computyper CTS and any good typist make up an entire billing department.

These are a few of the amazing machines Friden offers the world of business to increase general office efficiency. PractiMation, you'll find, can work for your company too. In Friden's file there probably is a proven answer to the specific problem of your office. For information call your local Friden office or write to Friden, Inc., San Leandro, Calif.

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Friden

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(Circle number 131 for more information)

The new language that money talks

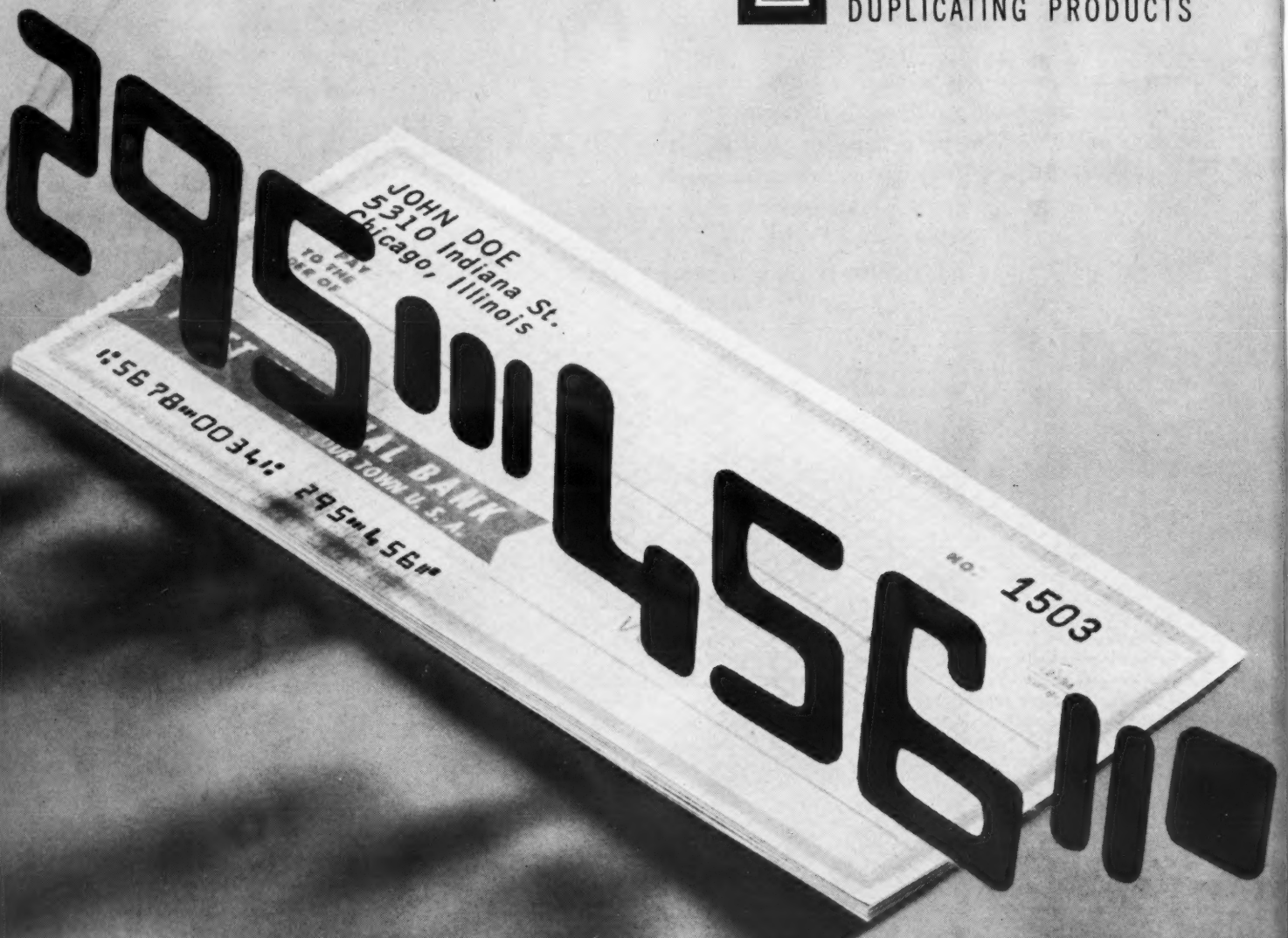
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Exact reproduction of the new language that money talks marks another advancement by A. B. Dick Company in the field of recorded communications. Write A. B. Dick Company, Chicago 48, Illinois for details.

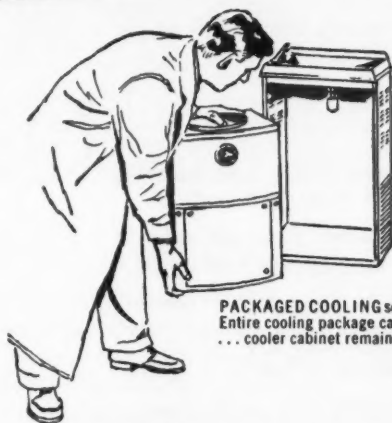


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Firm _____

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(Circle number 173 for more information)



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Solution: LEES custom design in a rugged, three-frame Wilton with specially devised cross-stripes

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Wynn Shaffer, N.S.I.D., of Western Contract Furnishers, who selected carpet for San Francisco's (and Jack Tar's) newest hotel, found nobody to match LEES for service, quality and ability to provide these solutions at the right price. Now, while you're in the planning stage, write for the name of the LEES commercial specialist nearest you, and for free brochure. **James Lees & Sons Co., Bridgeport, Pa.**

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and folds so flat...only 3"

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- You can have as many as 29 outside, extension or intercom lines at your fingertips all the time. You get more done, because you don't have to leave your office so often.

Never before could a business phone serve you so effectively!

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be *tailored* to your firm's exact needs and improve its profit picture. Just call your Bell Telephone business office, and a Bell representative will bring you the whole story. No obligation.



This six-button telephone also offers a range of flexible intercom features.

BELL TELEPHONE SYSTEM



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It contains a planning grid with pressure-sensitive templates of new shelf-type Spacefinder files.

With this layout aid, you can compare your current filing capacities and space consumed with the new space-saving files.

For a free Spacefinder filing kit, circle number 218 on the Reader Service Card.

How to use a photocopier

F. G. Ludwig, Inc. offers a booklet listing 115 ways a photocopy machine can save you money.

The applications extend to every phase of business and checklists given will suggest many practical uses for copying equipment within your organization.

For a free copy of this 12-page booklet, circle number 265 on the Reader Service Card.

How to author a business book

Here's a helpful guide for all authors—or would be authors—of business, technical or professional books.

Published by F. W. Dodge Corp., the 50-page manual gives down-to-earth suggestions on how to organize and develop ideas into a manuscript with publication potential.

The easy-to-follow text answers many questions about the writer-publisher relationship.

It also presents practical check-

lists for article organization, preparation and contractual obligations.

For your free copy of "Writing and Publishing Your Technical Book," circle number 264 on the Reader Service Card.

How to plan visual aids

A 24-page booklet, "Graphic Visual Control," plus many other materials which aid in planning a visual aid program, are available from Graphic Systems.

The kit included a collection of 25 tested ideas for tailoring a system to individual requirements. Each idea is illustrated with suggested applications.

For a free copy of this visual aid package, circle number 258 on the Reader Service Card.

Facts on the Australian market

A complete rundown on characteristics and potentials of the Australian market is given in a 40-page brochure published by J. Walter Thompson Co.

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For a free copy, circle number 217 on the Reader Service Card.

Uses for pneumatic tubes

How automatic tube dispatch systems can speed paperwork and production processes is discussed in a booklet by Airmatic Systems, Inc.

Besides regular correspondence, these systems are useful in rapid

delivery of records, test samples, small tools, office supplies, reservations, currency and many other items handled daily in the course of business.

If you'd like a copy of this 52-page illustrated manual, just circle number 216 on the Reader Service Card.

Copying machines comparator

To compare the features of 10 different copying machines, use a slide rule device offered free by Minnesota Mining & Manufacturing Co.

The comparisons cover cost of machine, cost and speed per copy, maximum size and 11 other important details.

Although designed to show off the features of Thermo-Fax, the copying unit made by 3M, the device objectively presents the advantages of other machines.

To secure a slide rule without charge, circle number 254 on the Reader Service Card.

Catalog of business booklets

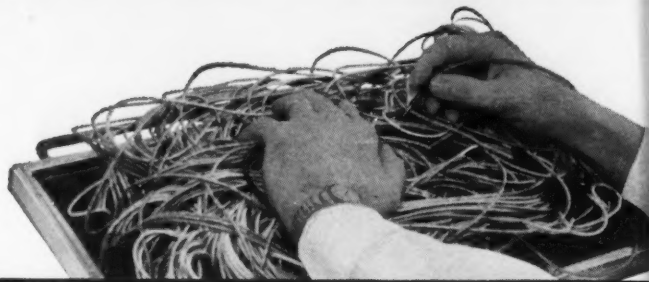
There's a wealth of information—much of it free—cataloged in the 1960 edition of the Business Library index published by Cities Service Petroleum Co.

Booklets included cover a wide variety of subjects in the areas of management, sales and service.

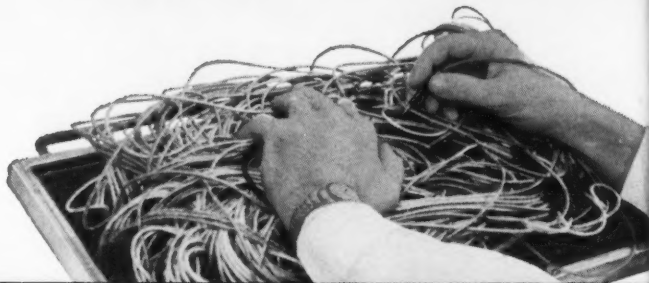
There are handy order forms to requisition the free booklets. Where any charge is involved, cost and source are indicated.

For your copy of this Business Library Catalog, circle number 253 on the Reader Service Card.

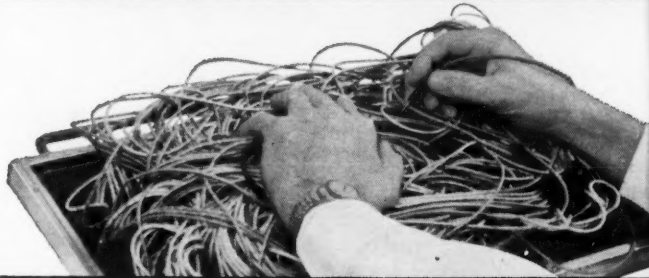
TIRED OF WIRING



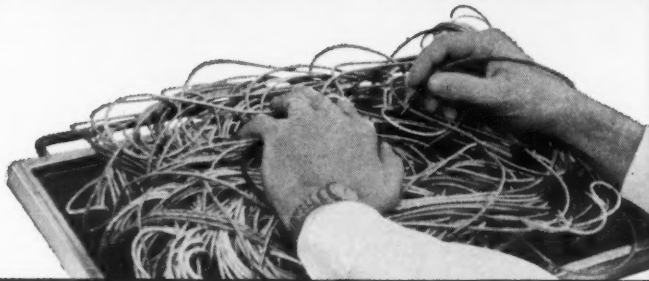
...AND REWIRING



...AND REWIRING



THE SAME PANEL

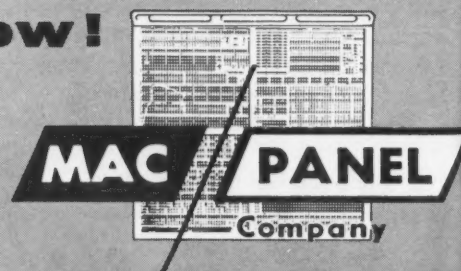


OVER AND OVER AGAIN?



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General Offices: High Point, North Carolina
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How to get the most good from your vending machines

Here's a new and effective way
to reduce coffee break time and
save your company thousands of
dollars every year.



Most offices and plants today have vending machines . . . some, just a few for cigarettes, coffee and candy . . . others, elaborate installations serving everything from cold sandwiches to whole hot meals. These handy machines provide new-found convenience, and oftentimes save the company thousands of dollars a year in time lost on coffee breaks, meal periods and snacking.

Few companies, however, achieve maximum benefit from their vending machines for lack of one element . . . the proper change to put in the machines.

True, perhaps 30% of today's machines have built-in coin changers, but "built-ins" generally do not provide adequate capacity. And lack of proper change means work interruptions, perhaps a special employee to make change, and most of all, valuable time lost while hunting for change. If, for example, you employ 500 people earning an average wage of \$1.50 per hour, just 3 to 5 minutes a day per employee, lost hunting for change can be costing you \$31,000 a year.

Large capacity, separate coin

changers, on the other hand, located near vending installations, have been proved to eliminate this lost time, speed up use of the machines, and increase machine sales and profits. Separate coin changers, for example can reduce coffee break time up to 20%.

Although excellent separate coin changers have been on the market for several years, management has been somewhat hesitant to install them with their machines because of the capital investment required, without any direct visible return. A rapidly growing number of aggressive vending operators, however, are recognizing the many benefits they, and their clients, can gain from separate changers.

And now, Standard Change-

Makers, Inc., the world's largest manufacturer of separate changers, is making its machines available on a financed or lease basis. Through Standard, it's now possible for you, or your vending operator, to install these convenient companions to your vending machines for as little as \$3 to \$7 a month.

Get the most from your vending machines. Write Standard Change-Makers today for full information on their machines, finance and lease plans. Standard builds a complete line of single and multiple coin changers, manual and electric, all with built-in protection against all types of vandalism. Machines and their money content can be insured, too. Write today!

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(Circle number 170 for more information)



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The scene: Credit union of the first transcontinental airline to fly the new Douglas DC-8 jet Mainliner.[®] **The job:** payroll-deduction accounting for its 17,300 members. **The equipment:** Burroughs F-4000 Electronic Accounting Machines with Automatic Reader. **The results,** in the words of E. J. Langel, Credit Union General Manager: "Trial balancing time was reduced 80%. Instead of five extra people working three nights, our staff completes the job in 12 regular working hours. We also reduced daily posting time 40%. All this with no system change." Burroughs—TM

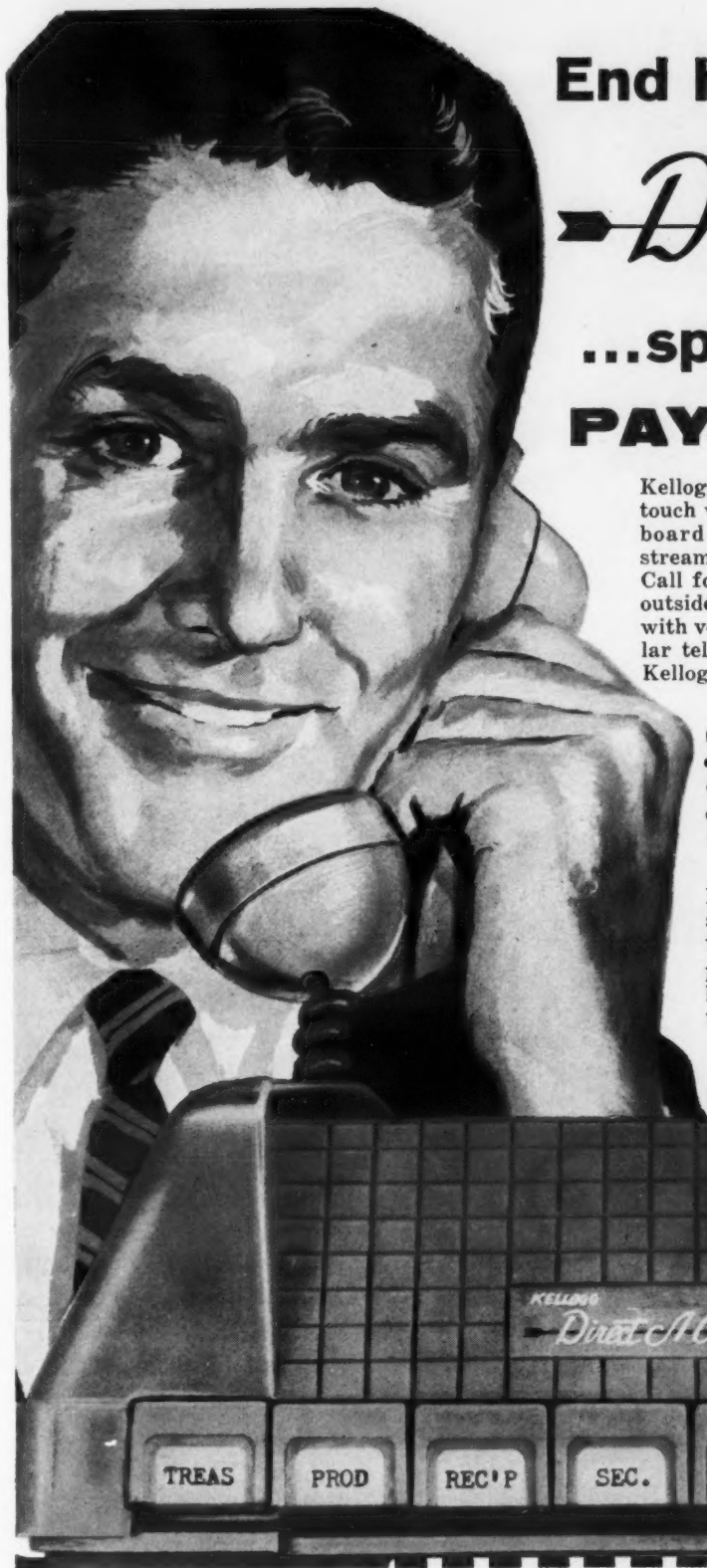
Credit union or corporation — Burroughs Systems Counselors can provide you with result-getting equipment that ranges from electronic and electro-mechanical accounting machines to giant computers. Just call our nearby branch. Or write Burroughs Corporation, Burroughs Division, Detroit 32, Mich.



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(Circle number 114 for more information)



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...speeds inside calls...

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Kellogg's low-cost Direct-A-Call always keeps you in touch with your staff: never a busy signal or switchboard jam. Save on expensive telephone rentals, streamline daily business routines... use Direct-A-Call for *inside* calls, free your regular telephone for outside calls. Two-to-seven station systems available, with voice paging and talk-back speaker option; regular telephone transmission quality; backed by ITT-Kellogg research.

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Whether you need a simple 5-phone Direct-A-Call, or a complete 500-phone installation with private automatic switchboard, Kellogg can provide the counsel and equipment that will save precious dollars.

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Actual Size

**average monthly cost for typical area*



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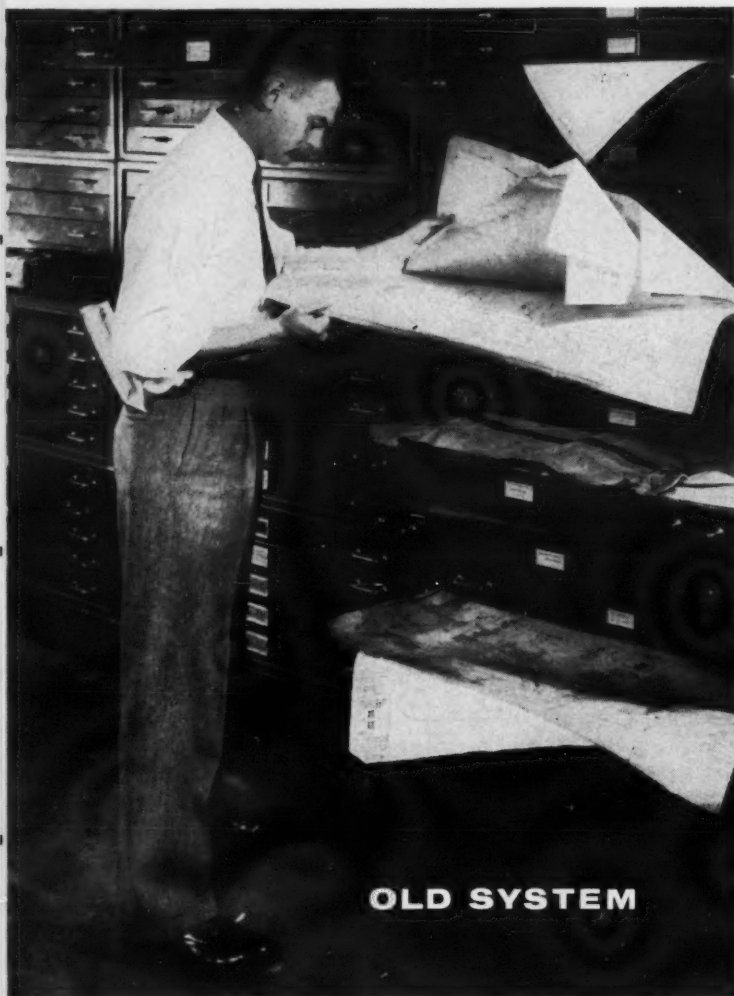
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they are so inexpensive that engineers are urged to discard them after use.

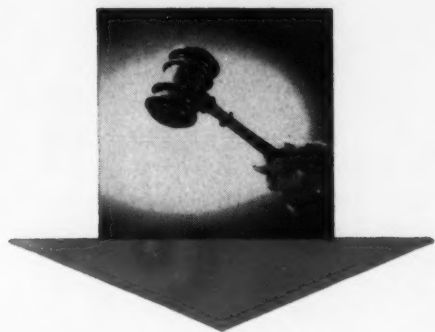
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DO YOU KNOW THE LAW ON

Escalator clauses

ARE PRICE ADJUSTMENTS VALID AND ENFORCEABLE?

The question—Are escalator clauses, which provide for future price adjustment, enforceable in sales contracts?

The answer—Yes. They are valid and enforceable if the court can ascertain the price by using the clauses.

Case one—A contract between an automobile manufacturer and a dealer provided that the manufacturer would sell parts to the dealer at its list prices. In a subsequent lawsuit, the manufacturer contended that this contract was void for uncertainty.

By its decision, the federal court held this price stipulation sufficiently definite and binding. "There is no objection to a promise that is indefinite so long as the parties can tell when it has been performed and it is enough if, when the time arrives, there shall be in existence some standard by which the prices can be tested.

"It is often said of such a standard that it must not be within the uncontrolled power of the promisee as, for example, that the promisor shall buy at any price which the promisee may fix. Yet, if there be an independent consideration it is hard to see why, on principle, such a promise is unenforceable, however inconsidered and unwise.

"The case is quite otherwise if the performance be dependent wholly on the promisor's pleasure, since in that case it binds him to nothing at all."

Moon Motor Car Co. of N.Y. vs. Moon, 29 Fed. 2d 3, Nov. 19, 1928.

Case two—Under a contract for the manufacture of airplane equipment for the United States, a manufacturer subcontracted the making of "toolings" and "jigs" in addition to certain airplane parts. This subcontract stipulated: "Price reduction or increase due to engineering, material or method changes shall be subject to negotiations prior to acceptance of such changes by the subcontractor.

"Prices as noted on this subcontract are subject to revision either upward or downward after completion of the first 100 units, this revision to be based on an actual study of a cost analysis kept by the subcontractor during the period of fabrication."

Subsequently when the parties were unable to reach an agreement on a price revision, the manufacturer

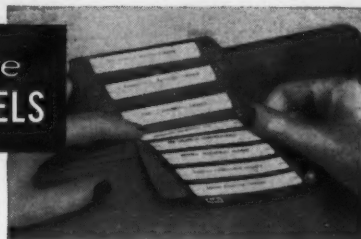
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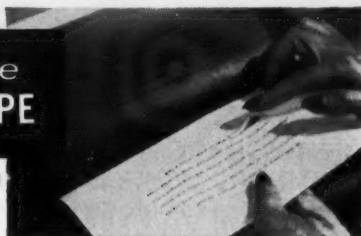


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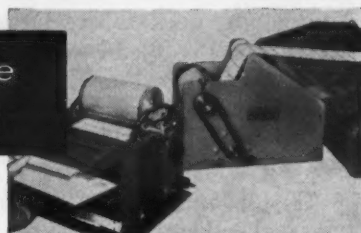


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(Circle number 106 for more information)

How's your Comfort Index* this month?



Jack Lightfoot, LOCKHEED staff engineer working on the Polaris Missile for the Navy, explains why the COMFORT INDEX in Santa Clara County means better living to him. "It doesn't matter whether it's January or July around here—I can take off for the golf course any week end. And, frankly, I feel that I accomplish more on the job in this year 'round mild climate."

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First, compare the COMFORT INDEX of each potential industrial site. When you add the other advantages, every fact points to **SANTA CLARA COUNTY** for maximum *livability and productivity*.

***COMFORT INDEX**—One of many terms used to describe the exact point at which the climate of a particular area approaches an ideal combination of *moderate temperature and low humidity*.

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SANTA CLARA COUNTY California



(Circle number 169 for more information)

withheld payment and the subcontractor sued for an unpaid balance of \$98,865.43. In his defense, the subcontractor argued that the prices established by these contracts were mere estimates.

The court ruled in favor of the subcontractor. The manufacturer then appealed to the federal appellate court. In affirming the judgment of the first court, the appellate court said this about the establishment of prices which depend on future developments:

"It is the general rule that a contract price must be definite and certain or capable of ascertainment from the contract itself, else it cannot be enforced. If, however, the contract contains matter which will enable the courts to ascertain the terms and conditions on which the parties intend to bind themselves, it will give effect to the manifest intention of the parties.

"The courts will not permit the contract to fail for want of a formal detail which can be supplied within the framework of the contract itself. Thus, if a contract provides for the payment of a reasonable or a just and equitable price and the parties are unable to agree upon what is reasonable or just and equitable, the courts will imply that the parties intended for the court to determine a reasonable price as a consideration for the contract."

Beech Aircraft Corp. v. Ross, 155 Fed. 2d 615, Kansas, May 20, 1946.

Case three—An oil company, Coffield & Guthrie, brought suit against a refinery in Texas, to recover for oil delivered to the refinery for which it had not paid.

The contract between the two companies said that the dealer would sell and deliver to the buyer "at the price posted by Coffield & Guthrie, which price shall be based on average posted price by any three of the major companies for like grades of crude oil in the area in which it is received by said Col-Tex Refining Co., plus 12½ cents per barrel."

This provision, the refiner argued, was fatally indefinite and vague and for that reason, unenforceable. A lower court judged in favor of the seller for the price of the oil.

In upholding that judgment, the federal appellate court said:

"It is quite plain that, on their face, the terms in the contract attacked by the refiner as indefinite, 'in three of the major companies' and 'area' are not on their face indefinite nor ambiguous. It is equally plain that the evidence that was introduced of long and continuous dealings between the parties without dispute or difficulty of any kind as to the price agreed to be paid was sufficient to remove any indefiniteness and ambiguity.

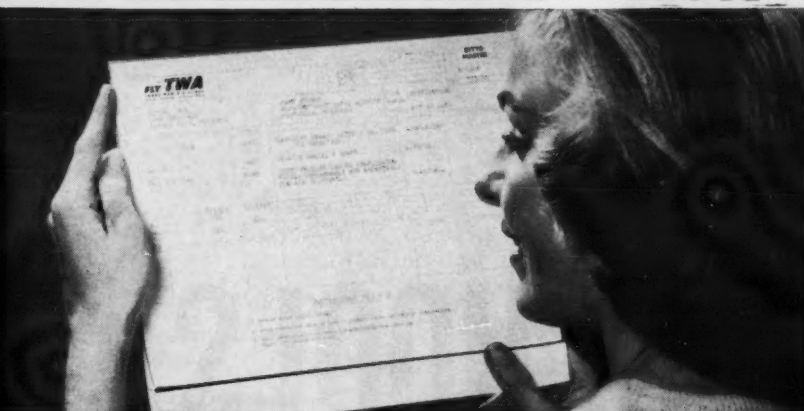
"It is even plainer that the refiner has put up a straw man to knock him down, for the contract expressly binds the refiner to pay a sum precisely fixed as 'the price posted by Coffield & Guthrie, Inc.' It is true the contract does go on to state upon what this price shall be based. This statement, however, does not inject any element of uncertainty into the contract. It merely furnishes a basis for adjusting Coffield & Guthrie's posted price if that price seems or is out of line with prices generally prevailing in the field."

Col-Tex Refining Co. v. Coffield & Guthrie, Inc., 196 Fed. 2d 788, Texas, May 10, 1952.

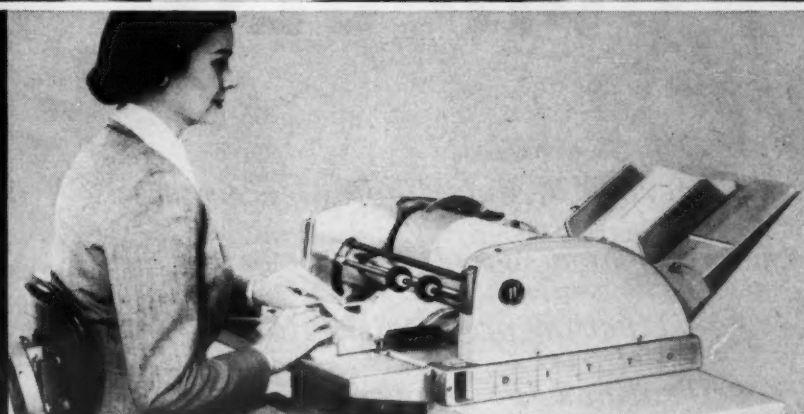
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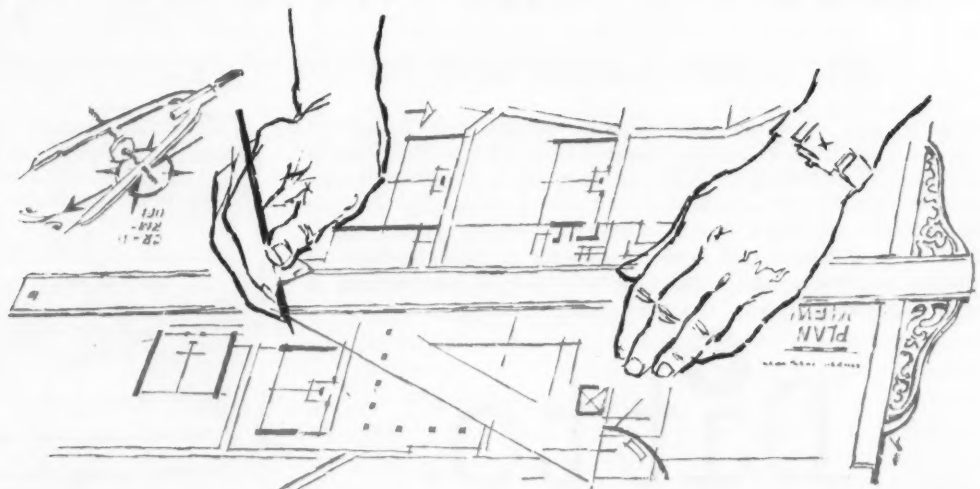
Your problem: to identify and reach the "owners" before specifications are written and approved.

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Here is the kind of essential information, now available, to help you solve this problem:

Individual Action Reports—sent to you on a daily basis, designed to provide your salesmen with these facts:

- the name, address, and present enrollment of every school district now building or about to build.
- the type of new structure, and its capacity.
- the date that construction will commence.
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Quarterly Summary Reports—sent to you every three months, to provide you with a complete summary of all data you received on the Action Reports during that 90-day period. *In addition*, this Quarterly Summary will contain a complete statistical analysis and forecast of school building activity by region, by state and by county.

How this service differs from others

It differs in two important ways:

1) Unlike other services which report only after an architect has been appointed or new construction is announced, this new service will include building proposals while they still are in the contemplated stage. In many cases, school officials will not have announced their intent to build as a formal proposition to the voters. With this advance information, there is ample opportunity to make a creative and thorough selling effort before school officials are under pressure and before selection becomes primarily a matter of price.

2) This is the only truly *national* school construction reporting service covering all 50 states. It is made possible by the fact that School Management Magazines, Inc., is the only organization in the U.S. that is able to identify, on a current basis, every public school district with over 300 students enrolled. Through its subsidiary, School Construction Services, a continuing contact is maintained with the chief administrative officer in these districts. In turn, these officers report *IF* their district is contemplating new construction, *WHAT* is being planned and *WHEN* building will start.

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First, the "Action Reports" containing all the basic information outlined above will be mailed to you the day the data is received in our offices.

Transmit this report to your field sales force:

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- To measure the effectiveness of your individual sales territories and salesmen.
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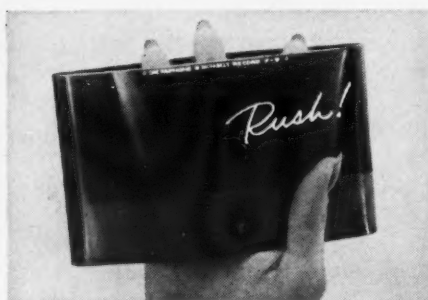
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■ MUCH CAN BE GAINED from placing compatible workers together. An interesting experiment, conducted by National Foreman's Institute, bears out this fact.

A group of 74 skilled workers was given a chance to select the men in the group with whom they would like to work. Each worker wrote down his first, second and third choice.

Partners were then assigned on the basis of these choices. Twenty-five workers received their first choice, 28 their second choice and 16 their third choice. Eight isolates, unchosen by anyone, were absorbed into different groups. After several months of this compatible

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What's more, before and after regrouping records showed these significant gains: Turnover rate dropped from 3.11% to .27%. Labor and material costs reached a new low. An over-all saving of 5% in production costs was realized.

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■ YOU CAN INCREASE plant workers productivity by the simple expediency of providing them with more comfortable chairs than the usual run-of-the-mill seating facilities.

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At the suggestion of an alert office equipment salesman, fatigue-free posture chairs were ordered for all packers. As a result, in less than a month the absenteeism problem had almost disappeared. Also, it was noted that output jumped markedly.

As an extra morale fillip, each individually adjusted posture chair was inscribed with the name of the packer.

Office workers, it's been found, respond with greater productivity by the extra comfort and prestige of



being provided with armchairs—like the boss'—instead of the usual armless secretarial version.

MAKE RULES MEANINGFUL

■ HAVE YOU REVIEWED your employee regulations lately? Are they outmoded or negatively phrased?

One executive vice president recently took a good look at his firm's rules posted throughout the plant. The long list had been staring him, and everyone else, in the face for years—without making any positive impression.

This time he studied the code. Regulations, all negatively couched, had been tacked on over the years. Most were prohibitions flatly stated. Some included threats of firing for violation. No reasons were given *why* workers shouldn't do this or that. He crossed out all these items. Others he crossed out forbade practices that were now acceptable.

Ninety percent of the rest could



when the occasion



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be termed, not as arbitrary prohibitions, but as reasonable, persuasive, positive statements why employees should observe certain practices and precautions.

The other 10% of necessary commandments were also phrased in more tactful language.

The end result is a company code that gets compliance and support from the firm's personnel as well as approval of the union.

VIEW JOB SATISFACTION THROUGH WORKERS EYES

■ WHAT YOU THINK creates job satisfaction may be poles apart from the way your employees rank elements that contribute to their satisfaction.

This proved true in an experiment once tried by the National Retail Merchants Association. Over 3,000 employees and 300 employers throughout the country were asked to rate eight morale factors in order of their importance. Here are the results of that test:

Morale Item	Employee Ranking	Employer Ranking
Credit and recognition	1	7
Interesting work	2	3
Fair pay	3	1
Understanding and appreciation	4	5
Counsel on personal problems	5	8
Promotion on merit	6	4
Good physical working conditions	7	6
Job security	8	2

You might try a similar quiz in your company. To get workers' true feelings, ask them not to sign their names.

TIME SAVERS

EQUIP YOUR SECRETARY WITH A ROBOT SIGNER

■ BOGGED DOWN DAILY by signing stacks of letters and documents? Why not skip this time consuming

chore by supplying your secretary with a facsimile signing machine.

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guished from the original and are legal even on checks and stock certificates.

One such device, called the Autopen, can reproduce your signature at the rate of 3,000 times in eight hours. It can be used with any fountain pen in any color ink.

It can be operated by anyone and can be changed in a few seconds to reproduce different signatures or text. To prevent unauthorized use, the machine can be equipped with a counter and lock.

If you'd like more details on this facsimile signer, circle number 202 on the Reader Service Card.

PROFIT MAKERS

DEVELOP JOB ROTATION PROGRAM

■ ONE LARGE CHEMICAL company found itself suffering from too much ingrown management. Repeated efforts, for instance, to effect major cost cutting had met with little success.

Meeting with division heads individually awakened the general manager to the fact that they were too close to their jobs and to their people to be aggressive about cost reduction.

That's when he hit upon the job swap idea. Together the group evolved a rotation program that not only gave impetus to a concerted attack on costs, but provided a management development pattern needed to satisfy company expansion plans.

Here, in brief, is how the job



Just "touch" the carton and there's your label

Weber Touch-Stenciling—the fast easy way to address multiple carton shipments...

No more stencilboards, rubber stamps or label typing. Instead, you can print facsimile labels directly on cartons with just a "touch" of a Web-O-Print hand duplicator.

Stencils are pre-cut to duplicate your label. Customer's name and address or product information is filled in on a typewriter or by hand. Then slip the stencil on the handy duplicator and touch-stencil all the cartons in the shipment. The duplicator leaves a clean, sharp print that will not fade, rub or wash off.

It's so easy to do. With a smooth, one-hand motion 40 to 50 cartons can be addressed in a minute. The duplicator holds enough ink for several thousand impressions and it prints anywhere — cardboard, wood, paper, smooth or rough, round or flat surfaces. After the shipment has been addressed the stencil is thrown away, saving filing time and space.



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Mount Prospect, Illinois

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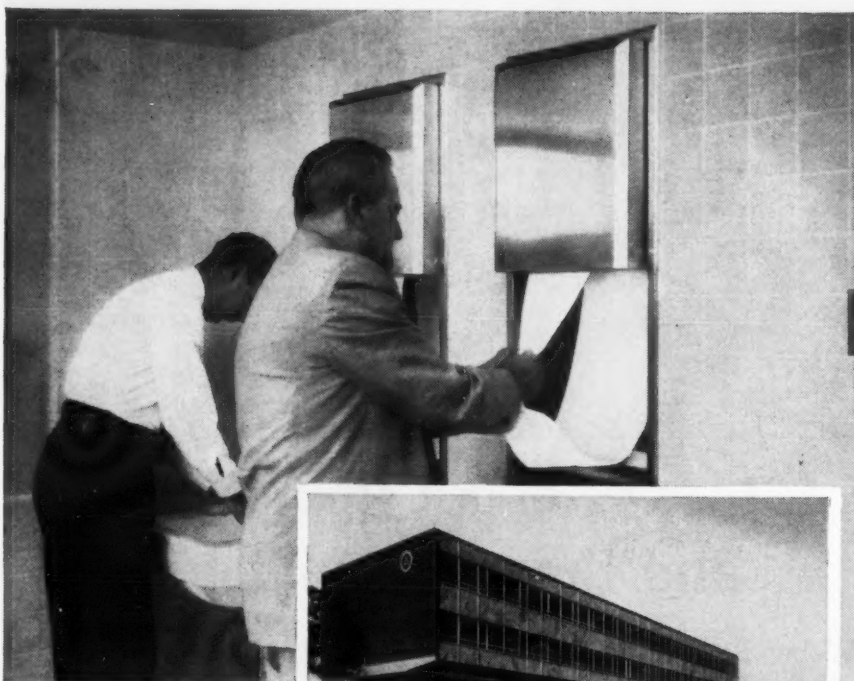
Position _____

Address _____

City _____ Zone _____ State _____

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Power Company generates good will with COTTON*



*Fairfax toweling used by Arkansas Power & Light is supplied by Independent Linen Service Co., Little Rock, Ark.



• As a major supplier of electricity to Arkansas, the Arkansas Power & Light Company depends greatly on the efficiency and morale of its employees. Customer good will, too, is an important concern. That's why, in its new Little Rock office building and more than a dozen other locations, the company uses cotton toweling.

Employees and customers have both indicated their preference for cotton — and management likes it as much as they do. Cotton toweling saves on housekeeping expenses. It eliminates litter and fire hazard in wash rooms. And cotton toweling is easier to service, too.

Why not find out how you can benefit with cotton toweling. For further facts, write for free booklet to Fairfax, Dept. R-2, 111 West 40th St., New York 18, N. Y.

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(Circle number 184 for more information)

rotation system worked, as reported by the American Management Association.

Over a three-year period, each division head was moved out of his post to a newly created slot of greater responsibility — in another area. As each manager moved up, his old division was taken over by the assistant manager from one of the other units.

This rotation had a double-barrelled action. New men in new areas could take an objective look at existing problems. From an annual expense budget of \$100 million, they were able to save \$1,800,000 the first year, \$685,000 the second, \$450,000 the third year.

Then the firm's growth program was accelerated by former division managers being readied to meet the needs of an enlarged top management team.

SHOOT FOR FAST TEMPO

■ IF YOU CAN LIFT THE TEMPO of your organization a notch or two, you'll boost productivity, creativity and quality.

Every firm settles into its own gait. Some operate at a snail's pace, others just fast enough to get by. Just a few maintain an exhilarating tempo.

Shoot for this fast tempo. Keep minds alive, hands moving.

Keep your executives a little bit too busy to slow down. Stir them from complacency into higher gear



by giving them plenty of projects —not details.

But lead, don't drive. There's a fine line of distinction—one works as a spur, the other antagonizes. Follow up on assignments, guide with a strong hand.

Set realistic but fast paced time limits on projects. Instill the feel-

ing that things are happening and happening at high speed.

Progressing at a good tempo will make your people think a little faster, work a little harder, act a little quicker—even walk a little faster.

PROBLEM STOPPERS

ENCOURAGE CAR POOLS

■ WITH SPACE at a premium, many companies are now encouraging their employees to form car pools.

This habit, so widely followed during World War II, has many benefits for the individual, the community and the company.

The employee gains by reduced gasoline and maintenance costs. His family likes the pool arrangement, too, since it frees the car for home use.

Traffic congestion is often considerably relieved on highways and secondary roads leading to the plant—with fewer lost tempers, dented fenders and less tardiness.

Car pile-up at entrances and exits is relieved and fewer guards are needed to direct the lessened traffic.

Car pools reduce the area needed for parking accommodations.

BEWARE OF TENSION BUILD-UP

■ MANY EXECUTIVES suffering tension or worse ills are usually ones who don't delegate enough, who are bogged down with details, and who follow an organized disorder pattern.

Here is advice, given by one doctor, on how to direct your energies and ration your time to avoid catching the stress disease:

Start earlier. Remember the office, not your home, is the place for work. If your workday must be lengthened, let it be at the beginning rather than the end of the day.

Pursue outside interests. They will relax you, refresh your mind for management decisions.

Tackle your toughest problems early in the morning. Your mind

HERE'S PROOF

SAVE \$84,632

on a 62,000 sq. ft.
industrial plant

in WESTern
PENNsylvania

A unique, long-term (20-25 years), 100% Financing Plan at average interest rates as low as $3\frac{3}{4}\%$ makes such outstanding savings possible.

Under conventional financing, a 62,000-sq.-ft. plant costing \$6.25 per square foot would cost \$639,735 over 20 years at current interest rates of $5\frac{1}{2}\%$. That is, if you could get financing for 100% of the property at that figure.

This same building, amortized over 20 years using Pennsylvania's 100% Financing Plan, would cost only \$555,103—a saving of \$84,632.

Compare this with the usual maximum obtainable loan of 50 to 60% of appraised value and higher interest rates, even up to 8%!!!

You'll also find a Triple-A Work Force, Centralized Location, Favorable Tax Climate and an excellent Transportation Network—*more proof* that you should look to WESTern PENNsylvania for your industrial future.



Want more details on how you can save in WESTern PENNsylvania as did many other firms*? Write today.

*Names on request

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an operating unit of the WEST PENN ELECTRIC SYSTEM

WEST PENN POWER, Area Development Department
Cabin Hill, Greensburg, Pennsylvania

MM-20

Yes, I'm interested in details of WESTern PENNsylvania's labor supply—as well as:

☐ Plant Location Services Booklet

☐ 100% Financing

☐ Relocating or Establishing a Branch Plant

Please handle in confidence and mail to:

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Individual _____ Title _____

Address _____

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If you'll write Lloyd K. Allen, Commissioner, Maine Department of Economic Development, Room 212, State Capitol, Augusta, Maine, your confidential inquiry will receive prompt attention and complete details about the advantages Maine has to offer your business.

**MAINE DEPARTMENT OF
ECONOMIC DEVELOPMENT**
Augusta, Maine

(Circle number 150 for more information)

will then be free to handle whatever the day brings.

Rid yourself of details. Your time is worth money.

Religiously delegate responsibility. You can only spread your time, energies and concentration so far.

Relax, when you travel, at least part of the time. It will broaden and unrumple your outlook.

Take adequate holidays. More than a few days at a stretch are needed to unwind from your job. Three weeks away from your office will freshen and sharpen your mind.

ATTENTION GETTERS

GET YOUR BULLETIN BOARDS READ

■ BULLETIN BOARDS, all too often, are catch-alls in out-of-the-way corners.

To serve the vital purpose of effective communication, your company bulletin boards should attract and maintain the interest of your employees.

To catch maximum attention and regular readership, follow these simple hints.

Place your boards in prominent, well-lighted places.

Mount them at eye level for easy reading.

Be generous with large type faces, color and illustrations—short on long copy and fine print.

Mount individual items in an attractive over-all arrangement.

Phrase your messages in a positive, personal approach.

Include enough good news to get other less welcome notices read.

Don't let your news and notices grow stale and dog-eared. Set up a planned replacement program.

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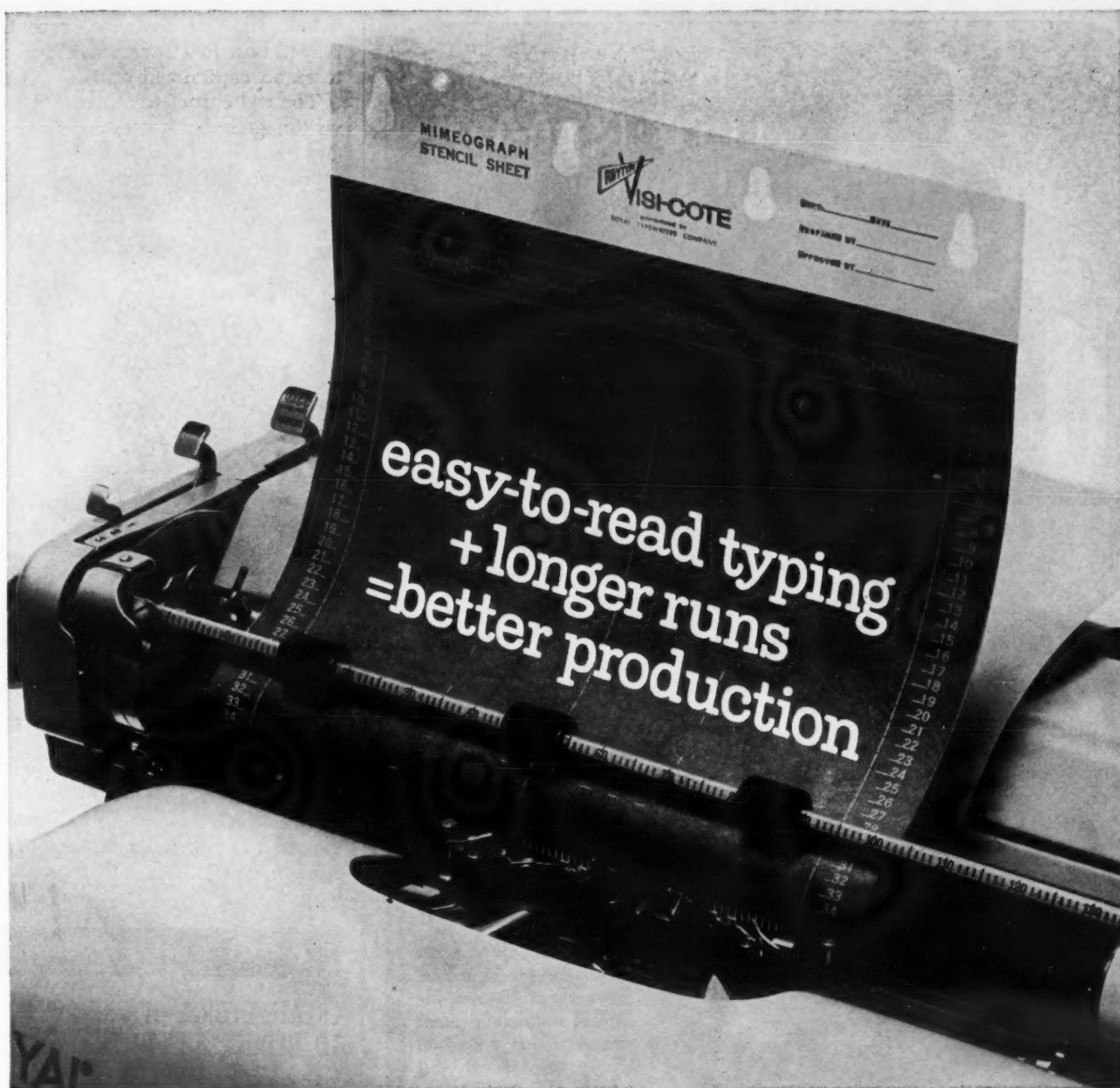
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way to lease trucks
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wood, Ill., for instance, recently played host to 11 overseas distributors and capitalized on the event.

The red carpet treatment for the visitors included a press conference and food from the 11 countries they represented. The major event was a grand tour of the Chicago area,



culminating with their being guests of honor at a dinner.

The visit received excellent coverage in local, financial and trade publications both here and abroad, Public Relations Counsel Harshe-Rotman reports.

The foreign representatives went home with extra friendly feelings toward this country. And Coleman gained a better understanding of its foreign markets.

COST CUTTERS

CREATE DEGREE OF PRIVACY TO REDUCE ABSENTEEISM

■ THE ABSENCE RATE among a bank of 50 switchboard operators at Pacific Telephone & Telegraph Co., San Francisco, averaged over 7½ days a year.

Until recently, combined efforts by supervisors, personnel, medical and safety people had little effect on this high rate. Then they devised this method which succeeded in cutting absences to five days a year per girl.

The 50-girl board area was partitioned into units of nine girls each. Now each can see the members of her own team. She knows who is absent—and feels the weight of the extra workload.

Attendance has thus become a matter of personal obligation to the rest of the team.

Another example of Addressograph-Multigraph versatility



Multigraph Methods help "tell the world" ...in less than 3 minutes

Results and news of the VIII Olympic Winter Games at Squaw Valley, California, are made available to the world's press, radio and television outlets quicker than a skier can race the men's downhill course.

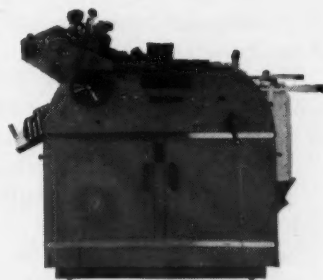
Within seconds, complete data is printed on Multilith Duplicating Masters, as "output" from high-speed electronic computer equipment. Copies for distribution are then made on automated Multilith Offset Duplicators. Elapsed time: less than 3 minutes!

This is typical of the way Multigraph Methods multiply the output of all types of

modern, automated data processing equipment. And it is only one of the many ways Multigraph Methods serve business.

Multilith Masters can accept complete data—with only one writing—and reproduce this information repeatedly in whole or in part with any required additions, deletions or substitutions. No wonder Multigraph Methods meet every duplicating need of business.

Ask the nearby Multigraph office for a report on how your business can profit with Multilith Offset, or write Addressograph-Multigraph Corporation, Cleveland 17, Ohio.



New Model 2550
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Addressograph-Multigraph
PRODUCTION MACHINES FOR BUSINESS RECORDS

SERVING SMALL BUSINESS • BIG BUSINESS • EVERY BUSINESS

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FEBRUARY 1960

37

How to cure those costly "I've got a cold" absences

One reason why the common cold is so common is that many colds are not colds at all—they're simply excuses to stay home. So say industry's top medical men. Here's how to cure the so-called "sickness absences" that cut deeply into your company's profits and workforce strength each year.

■■■■■■■■■■ "I've got a cold. I can't come to work today."

Words like these can cost you as much as 5% of your payroll during the months of January, February and March.

Paradoxically, most employees who call in with excuses like this are not too sick to work. They just don't want to work.

"When employees are absent, it does not necessarily mean that they are too ill to report, even if they tell you they are sick," says Dr. Norman Plummer, medical director of the New York Telephone Co.

If not sickness, then, what accounts for most employee absence? Here are the surprising answers:

- Healthy business activity.
- High sickness compensation payments.
- Low employee morale.
- Employees with immature attitudes toward their jobs.

But management can solve the costly problem of unnecessary absenteeism. To find out how, **MANAGEMENT METHODS** interviewed Dr. Norman Plummer, a recognized authority on how to overcome excessive absenteeism. From his experience, here are specific actions

you can take to plug the drain absenteeism puts on your company's profits.

Pinpoint chronic absentees

Keep accurate attendance records. That's the best way to spot habitual offenders, says Dr. Plummer.

Just as you can't speed production without first finding the production slowdowns, neither can you lower high absenteeism until you know which people cause it.

"Certain people are responsible for absenteeism?" asks one manager. "Isn't it true that absenteeism costs a lot because nearly everyone is absent some of the time?"

Not according to Dr. Plummer.

"Usually a fairly small percentage of any company's workforce is responsible for the majority of absences" (see chart, page 44), he says. "For example, studies in one firm show that 20% of the employees accounted for 68% of the absenteeism. The first step in solving an absentee problem is to identify the people in that small percentage of chronic absentees. That's why you have to keep detailed records."

Here's how Dr. Plummer recommends keeping attendance records.

First, have a separate attendance form for each employee (see sample form, page 40). Mark every individual, from the president to the maintenance man, on his punctuality and attendance.

Somewhere on the form, be sure to note the employee's reason for absence. If it is a medical reason, check whether the employee has turned in a doctor's certificate.

After one year of keeping attendance records, analyze the data and list the people with the most absences. Chronic absentees are likely to show up in two ways:

1. They will often be among the highest in total number of days absent.

2. They are usually the people who are most frequently absent regularly, missing one, two or even five days a month.

One firm that began using this system several years ago reported this fact. The employees that showed up as chronic absentees the first year were also those with the most absences in succeeding years. Also, the company found that the habitual absentees were the biggest administrative problems.

But why is the employee who is

out two or three days a month such a problem?

Says one company doctor, "The most difficult employee is the 'in and outer,' the repeater who is not really very sick. He is the big headache because he misses one, two or three days with disturbing regularity. He keeps his supervisor at wit's end guessing what to expect next and how to plan his work loads."

Eight preventive actions

Take these eight actions to prevent workers from missing work on slight excuses:

- Require a physician's certificate after an absence of three days.
- Have a member of the firm telephone the absentee or his physician.

- Send a nurse or a company representative to visit the absentee at home.

- Send a letter of inquiry to the absentee, to be filled out and returned.

- See that supervisors make periodic reports on individual absences to personnel and medical offices.

- Keep the absentee's time card in the personnel office or medical department. If his reason for absence doesn't stand up when he comes to get his card, don't pay him for the time missed.

- Make pre- or post-holiday attendance a requisite for holiday pay.

- Give small bonuses or other rewards for good attendance.

Steps like these do a lot to discourage the employee who continually misses work because of minor or imagined illnesses according to the experience of many firms. Actions like these that discourage excessive absence also do much to improve the morale of those employees who are regularly present.

Managers can also use other methods to cut the high cost of absenteeism.

Many companies withhold pay and benefits from excessively absent employees. Some make it clear that an employee with a record of many absences will not be considered for promotion. In many cases, firms will not give bonuses, merit pay, or pay increases to employees who have

What absenteeism costs two typical companies

The American Medical Association printed detailed absence cost records of two firms in its booklet, "A Syllabus on Working Absence." Here, step by step, are how the total costs of absenteeism broke down.

COSTS	CASE I 485 employees		CASE II 425 employees	
	Per employee	Total	Per employee	Total
Compensation for sickness absence by direct, mutual or insurance payment.....	\$36.08	\$17,500.00	\$ 5.29	\$ 2,250.00
Workmen's compensation insurance	n.a.*	n.a.*	\$22.07	\$ 9,380.00
Hospitalization, medical and surgical care by direct, mutual or insurance pay- ment	0	0	\$85.21	\$36,214.00
Employer's liability to dis- abled worker in addition to workmen's compensa- tion	0	0	0	0
Clerical and managerial time for records, insurance and workmen's compensa- tion	\$.06	\$ 30.00	\$ 4.71	\$ 2,000.00
Terminations due to em- ployee disability	0	0	0	0
Indirect costs				
Recruiting and training substitute workers	\$ 1.61	\$ 780.00	\$ 7.49	\$ 3,183.00
Idle standby capacity	\$36.45	\$17,680.00	\$ 3.59	\$ 1,542.00
Reduced production result- ing from absent worker.....	n.a.*	n.a.*	n.a.*	n.a.*
Cost of substitute workers at higher pay, same work..	\$37.11	\$18,000.00	n.a.*	n.a.*
Cost of substitute workers at same pay, less work.....	n.a.*	n.a.*	\$12.67	\$ 5,383.00
Total		\$53,960		\$59,934

*n.a.: not available

Case I: A midwestern department store which employs 160 men and 325 women.

Case II: A Pittsburgh iron and steel fabricator. Average number of employees is 425—83% male and 17% female.

Easy to read attendance record

Here are clippings from the four page absence and tardiness record-keeping form used by the New York Telephone Company.

On the front side is a three year calendar, printed in red. A black "X" is marked through every day that an employee is absent. The date is circled if the employee is only out for part of the day. If the employee is late, a dot is placed over the date. At a glance, the supervisor can get a quick idea of what a particular employee's attendance record looks like.

The inside, pictured here, is a more detailed record. It shows the total number of occasions the employee

was absent each year, the total number of days he missed, and the number of times he was tardy.

Worth noting are these six areas that the company wants covered under "Analysis and action taken":

- Underlying cause of illness or tardiness.
- Employee's remarks and plan for reducing absences and tardiness.
- Visits to medical department or own physician.
- Findings of medical department or own physician and outlook for future.
- Effects on salary increases.
- Warning of possible separation.

PREVIOUS RECORD						
Year	19	19	19	19	19	19
Number Occasions						
Number Days						
Tardiness — No. Occasions						

* INCLUDE AS APPROPRIATE:

- (a) Underlying cause of illness or tardiness.
- (b) Employee's remarks and plan for reducing absences and/tardiness.
- (c) Visits to Medical Department or own physician.
- (d) Findings of Medical Department or own physician and outlook for future.
- (e) Effects on salary increases.
- (f) Warning of possible separation.

Date	Reason For Absence or Tardiness	* ANALYSIS AND ACTION TAKEN	Name, Title And Date Noted

Date	Reason For Absence or Tardiness	ANALYSIS AND ACTION TAKEN	Name, Title And Date Noted

missed a certain amount of time at work because of minor ailments of one kind or another.

What causes absence?

Genuine sickness and injury, certainly, cause a certain amount of absence. But the greater percentage of absences is what the doctors call excessive absence — direct results of minor but not truly disabling illnesses (upset stomachs, headaches, emotional disturbances, etc.).

A psychiatric study of many New York offices uncovered this fact: the level of absences due to colds is directly related to the level of morale in an office. One psychiatrist said, "The level of absence is also a good yardstick for the quality of personnel practices and the quality of supervision. Where there's good supervision, there's low absence."

It's simple to say, "I've got a cold." Any employee who wants to stay away from work can use this excuse whether he is sick or not.

That's why it is important to understand why employees want to miss work. When a manager knows the real reasons why some employees are chronically absent, he can take steps to prevent it.

One thing that affects the level of absence in a company is the state of the economy.

"When times are good, and jobs are plentiful, the percentage of sickness absence rises measurably," says Dr. Norman Plummer. "For instance, in the New York Telephone Co., we've been keeping attendance records since 1923 (see graph, page 42). In 1923, the percentage of sickness absence was about 3% of the total work days. By 1933, when jobs were scarce because of the depression, the percentage of sickness absence dropped off to 1%. From there it rose to its peak, 6%, in 1945 when jobs were easy to get and holding onto one job was not so important. During the recession in 1958 when the job situation got a little tighter, note that the amount of absence dropped.

"That's why we know that a great many absences are more the results of a desire to stay home, rather than due to sickness and necessary disabilities."

The basic cause of excessive absence is a poor attitude on the part of the employee.

People in repetitive jobs tend to be absent more frequently than those with a more interesting job. That's because they feel no challenge, no individuality. They feel it doesn't make any difference if they are absent.

Today, with higher wage levels, the development of company and union benefit and welfare plans, new state accident and sickness compensation laws and increasing participation in voluntary accident and insurance plans, employees find it is easier to stay away from work than in times past.

In some cases, a dangerous attitude develops from too many benefits. "When employees have a greater incentive to stay home, they have less incentive to work. Then absence rates go up," says Dr. Norman Plummer.

Typical high absence employee

Consider this classic portrait of the average high-absence employee, taken from the American Medical Association Archives of Industrial Health.

First, the typical high-absence individual is female. Studies show that women's absences are double—and sometimes up to four times—that of men (see chart, page 42).

She tends to be an unhappy, resentful and discontented individual. She has few friends and draws little sustenance from the group in which she works. She is easily frustrated and is frequently unhappy when forced to deviate slightly from her goals or position in life.

She has many responsibilities outside her job, including those for her home and her children. Often she develops a resentment toward her family and friends similar to that which she shows toward her job and her superiors.

When she is transferred from one job to another, or from one office to another, she reacts with distaste and complaints. She resents it when promotions are not offered to her.

Because of her unhappiness, she welcomes any legitimate excuse to be absent from work. And the legiti-

Do you encourage absence?

Virtually every personnel practice in a firm affects absenteeism by either increasing or decreasing the employees' desire to work. These personnel practices definitely affect absenteeism, according to the A.M.A.'s booklet, "A Syllabus on Work Absence." Check your company's policies. Are they too tight or too lenient?

1. Granting of leaves of absence?
Seniority altered by leave of absence?
2. Length of workweek?
3. Payment of overtime?
4. Shiftwork policies:
 - a. Rotation?
 - b. Differential wages or benefits?
5. Premium pay for working Saturday or Sunday?
6. How much time for lunch?
7. Paid rest periods?
8. Time off on religious holidays?
9. Length of vacations?
10. Time off with pay for:
 - a. Death in immediate family?
 - b. Illness in family?
 - c. Marriage?
 - d. Trial witness?
 - e. Voting?
 - f. Jury duty?
 - g. Military leave?
11. Profit sharing plans?
12. Pension plans?
13. Length-of-service bonus?
14. Company loans to employees?
15. Company cafeterias?
16. Coffee breaks?
17. Suggestion system?
18. Personnel counselor?
19. Recreational facilities?
20. Music in the plant?
21. Supervisor attitude during training?
22. Employee indoctrination?

mate excuse can be as small as a mild headache.

Sometimes she tolerates her symptoms and comes to work, but only because of economic necessity.

As a rule, she is not liked by her associates and supervisors because she is not friendly, is always complaining and is not pliable or reliable in regard to her assignment.

When management has an employee like this on its hands, here's what the authorities recommend.

1. Interviewing—to discover what stresses are making her behave the way she does.

2. Counseling—to help her resolve some of the pressures which she feels around her.

3. Firm discipline—to let the employee know that too many absences, no matter what the reason, cannot be tolerated.

To spot excessive absences

Suppose a manager asks, "But how can I recognize excessive absence? A man might have a poor constitution and fall prey to every minor ailment that comes along. How do I know whether he is faking or whether he is really sick?"

"Two ways," says Dr. Norman Plummer. "One way is to examine your attendance records. If the employee's first two years on the job put him in the top 10% of the absentees, you can be almost certain he is prone to excessive absence. I'd suspect any subsequent absence.

"The second way to spot excessive absence is to know the signs.

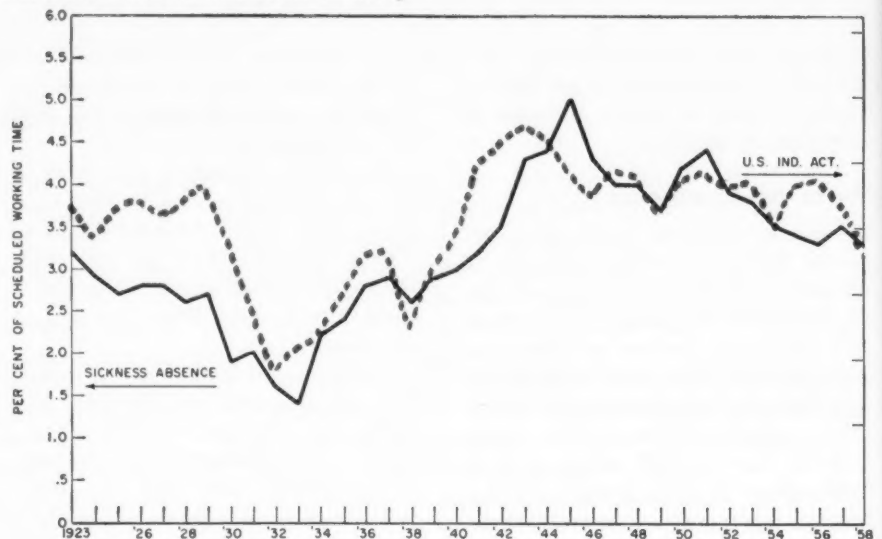
"Excessive absence can be the difference between three weeks and three months of missed work in a post-operative case. It's the difference between eight weeks and six months to a year in the average coronary case. It is the unnecessary one, two or three days, or sometimes up to three weeks, for a cold or mild attack of indigestion. I've known cases where female employees take three days off for every menstrual period, even when these periods occur over a weekend."

When excess absences rise

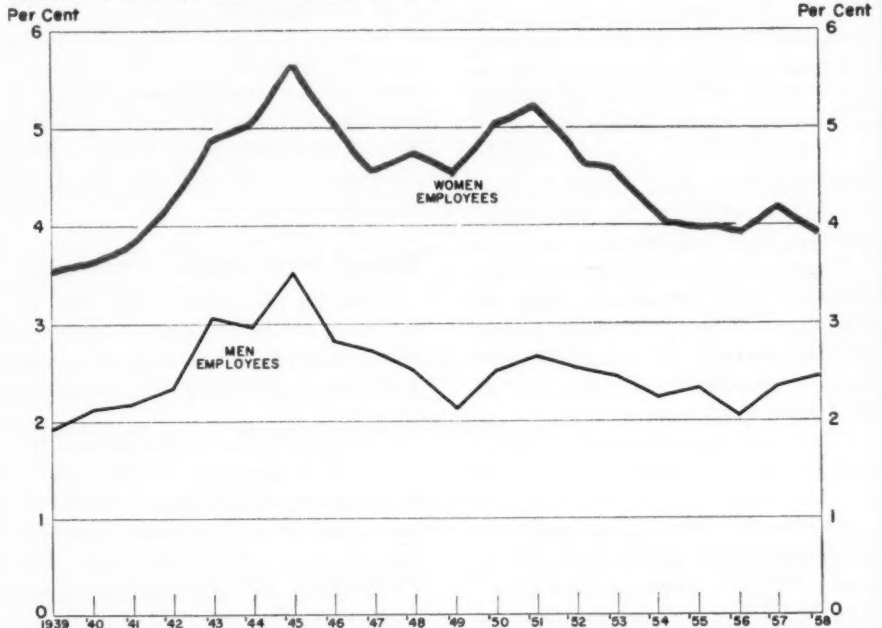
Researchers who have studied absenteeism over many years say there are definite times to watch for excessive absence.

On stormy winter days, excessive-

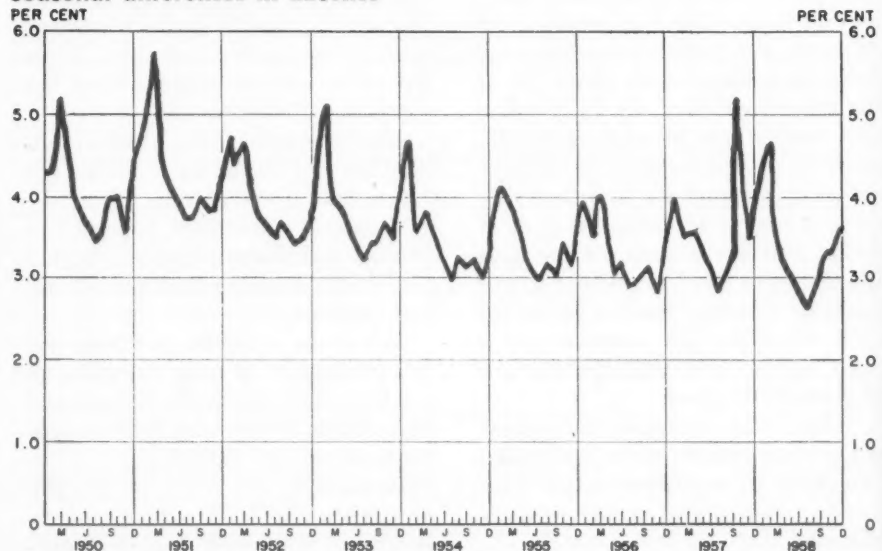
Absence follows industrial activity



Women's absence doubles that of men



Seasonal differences in absence



1. Absence follows industrial activity

The graph of sickness absence in the New York Telephone Co. (the dotted line in color) and the graph of U. S. industrial activity were plotted in two different, independent laboratories, yet the similarity between the two is striking.

The low points of industrial activity—1933, 1939 and 1958—have produced lows in sickness absence. According to New York Telephone Co.'s medical director, Dr. Norman Plummer, people are more anxious to keep their jobs when industrial activity is low and jobs are scarce. They disregard illnesses like colds and other minor respiratory disturbances, finding they are able to work in spite of them. But when times are good and jobs are plentiful, a minor cold becomes a good excuse for an employee, who doesn't like his job, to miss work.

The largest deviation between the two graphs occurs between 1954 and 1958. Industrial activity went up and the New York Telephone Co.'s absences stayed down. This Dr. Plummer attributes to positive management action—begun in 1950—that was taken to reduce measurably excessive absences.

2. Women's absence doubles that of men

Women cause the real problem in excessive absenteeism, say the authorities.

As this graph shows, women at the New York Telephone Co. account for nearly twice as many absences as the men do. In other firms, the figures show that female absences are more than four times greater than male absences.

According to the doctors, it is paradoxical that women account for the greater number of absences. Studies show that women live longer, have less serious chronic diseases and as a rule are not exposed to the hazards that men are.

Extensive studies by Dr. Norman Plummer and Dr. Lawrence E. Hinkle, Jr., both of the New York Telephone Co., show that disabling illness among women is significantly higher than it is among men.

However, the doctors say that it is important to examine the kind of illnesses that disable the high-absence female workers. They include: colds, grip, laryngitis, muscular pains, minor cuts and bruises, headaches and minor episodes of tension, anxiety and depression.

Both doctors point out that few, if any, men miss work for any of these reasons. The reason is that because of our culture, hardly any of these ailments constitute acceptable reasons for men to miss work.

In other words, what constitutes a disabling illness for a woman does not constitute a disabling illness for a man. Hence women take greater advantage of minor illnesses, while most men work whether they have a cold or not.

3. Seasonal differences in absence

As the graph shows, absences increase during the late fall, winter and early spring. This absence coincides with the rise in respiratory infections and off-duty accidents that come with bad weather.

However, the fact to keep in mind is that many employees use the excuse of a minor cold to stay home. In reality, they are not too sick to work. According to the authorities, the real reasons why many employees stay home are often emotional upset on the job, a dislike of the job, or because they resent or dislike their superiors.

To prove this, some companies have plotted their absences on a day-by-day basis. Even during the winter months, absences are low on pay day, and rise markedly the day or two after pay day. These studies have also shown that absences are high on the first and last days of a work week, as on the day near a holiday.

absence employees are likely to be out. Very hot days in summer cause absence. Mondays and Fridays stand out as periods when absence goes up. Many people are out the day after payday, holidays, election day and after an important night baseball game.

"To understand absenteeism," says one researcher, "one must understand human nature."

What absenteeism costs

One manager said recently, "Why all the fuss about absenteeism? It surely doesn't cost a company that much. People will miss a few days' work a year. Every company counts on that. And if someone is out all the time, you're sure to notice it. You either speak to him or replace him."

The hard fact is that absenteeism can cost the average medium sized company over \$60,000 per year.

The total out-of-pocket cost of absenteeism to American industry is well over \$10 billion. This figure applies to benefit payments alone. It does not take into account the cost of lowered productivity.

Not to be overlooked is what it costs the absentee himself. He frequently loses wages. He has to pay doctor bills that are not covered by insurance. In some companies, high absenteeism might cost an employee his promotion.

"Management must consider the fact that chronic absentees have a different make-up from those who are seldom or never absent," says Dr. Plummer. "High absence people may have a low illness threshold, which actually makes them more susceptible to colds and other minor illnesses. It also means that they suffer more from their illnesses. What is really happening, though, is that these people are giving in to their minor ailments. They are not making any effort to resist."

Of course, there is one action managers can always take when faced with a chronic absentee. They can fire him.

"But that's seldom the best solution," claims Dr. Plummer. "The key to correcting chronic absenteeism is to work from the angle of rehabilitation. All management really asks is that the employee be on the job when he is supposed to be. Tell

that to the absentee. Make it clear. Tell him what he costs the company in terms of production slowdowns, increased workloads for others, and in compensation payments. Show him in dollars and cents how much it is costing him to stay home. Talk to him about his problems to discover if he really stays home because he doesn't like his job."

Why absences are curable

Psychologists have said that a man's habits cannot be measurably changed after he reaches a certain age.

"That's not always the case," argues Dr. Norman Plummer. "Our experience with chronic absentees shows that at any age, a person's poor attendance habits can definitely be changed for the better."

Even if most of the absence in your company is honestly caused by colds and other minor respiratory infections, the management actions outlined earlier can cure it.

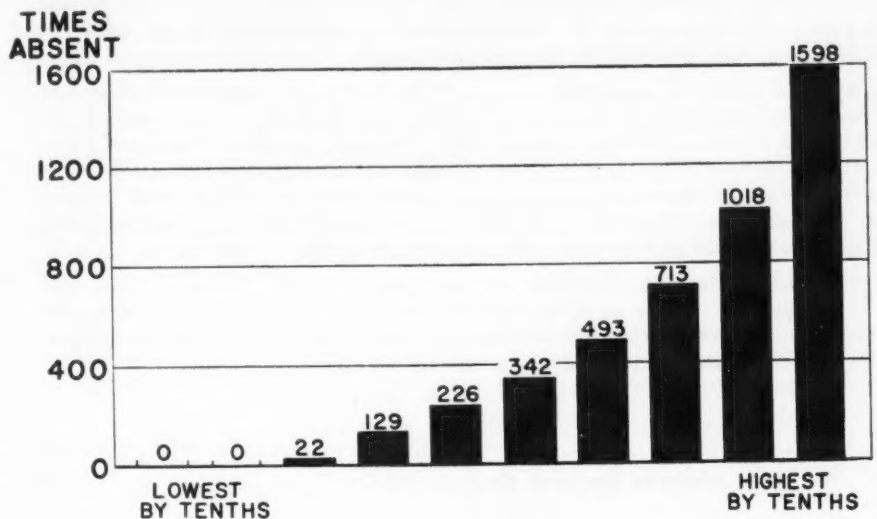
Here's why. Studies made by Dr. Norman Plummer show that some individuals are simply more susceptible to disability than others. Two people might have an equally bothersome cold. Yet one will pay no attention to it and will report to work. The other will let the cold disable him. In a sense, it gets to be a characteristic of an employee that when he has a minor cold, he is absent.

"Just as obesity is characteristic of some individuals, so is high absence," says Dr. Norman Plummer. "Obesity is a curable or preventable disease. People can diet. Often they don't like to diet, but they can do it. It's much the same sort of situation with high absence. A great deal can be done about it by the individuals themselves. But like obese people, high-absence individuals are usually not willing to do much about their own absences.

"Just as a doctor's warning about heart trouble can stimulate obese persons to diet, so can management stimulate chronic absentees to cut down on their own absences. When management gets its absenteeism problem under control, it can cut its absentee costs in half."

Since excessive absentees will

WOMEN EMPLOYEES



Small number of employees cause most absence

It's a fact that a relatively small percentage of a firm's workforce is usually responsible for a large percentage of the absence.

This chart represents a study made of 1,300 women during their first year of employment, during which time there was a total of 1,598 absences.

The first two tenths of the women had no absences. The third tenth had only 22 absences.

In fact, 60% of the women (the first six tenths on the chart) accounted for less than 25% of the absence—a cumulative total of 342 absences.

Significant is the fact that over 75% of the absenteeism belongs to only 40% of the women (the last four bars on the chart). Further breakdown shows that the 10% with the highest absences (the last bar) accounted for 37% of the total.

Doctors examined this top 10%. They found the following common characteristics:

One, individuals with the most minor illnesses also account for most of the major illnesses.

Two, these individuals also have the highest number of accidents.

Three, most of the administrative problem people are found in the high absence individuals.

Says Dr. Norman Plummer, "Identifying the high absence people is an excellent way of identifying the personnel problem cases in industry."

welcome any legitimate excuse to be absent no matter how small, managers find it pays to discover why an employee *wants* to be absent.

"When a manager knows the underlying reasons why an employee is absent much of the time—and the chances are that some phase of his environmental relationship is making the employee unhappy—the manager can take positive actions to correct it," says Dr. Plummer. "Our experience shows that helping the employee adjust to his surroundings, or changing some phase of his

job to relieve a stress, measurably reduces absence. Nothing else pays off so well in terms of improved employee health and attitude." ■

Next month: The alcoholic absentee

Alcoholics account for a great amount of absenteeism. One doctor puts the average at 22 days per year. And if you have 100 employees, it's likely that you have at least two alcoholics. At least eight others may have drinking problems that cause them to miss work.

Next month, a *MANAGEMENT METHODS* article gives the facts on alcoholism in business, with specific steps managers can take to sober up the alcoholics in their companies.



32 ways to use a camera in your business

Cameras can do an endless variety of cost cutting, sales building, profit making, time saving jobs in your company. Executives in every type and size of company have proved it by their imaginative use of all kinds of photo equipment, ranging from miniature still cameras to multi-lens movie cameras. On the following pages are some interesting examples of the results they get. These ideas will start you thinking of others.

The camera, used with imagination, can help you solve an endless variety

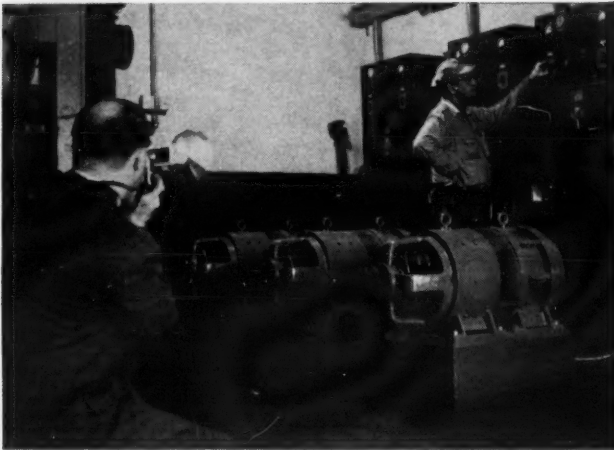
COST CUTTING IDEAS

Good housekeeper

Photos, by helping you keep your house in order, can trim your manufacturing and storage costs.

Solar Aircraft's plant in San Diego keeps a three-man committee busy making photo records of spots that are below par. The pictures point up the need for better housekeeping. Awards given for resulting improvements keep employees on their toes developing neatness and efficiency throughout the plant.

Safety at small cost



You can use color slides of unsafe work practices for an inexpensive traveling safety show in your company's plant and offices.

This is the key element in the Nickel Plate Railroad's intensive safety program—that won the industry's top safety award in 1957. Company photographers shoot color slides of unsafe railroad practices. The slides make up the portable safety show that can be set up wherever there is an electric outlet—from air-conditioned offices to temporary track-side buildings. Because of its mobility, the show has been seen by engineering, transportation and mechanical employees throughout the road's 2,000-mile system.

It wouldn't take much to establish a similar safety program in your company. And the resulting savings in equipment and manhours would more than pay for the cost of camera, film and projector.

Traffic easer

Aerial infra-red photography can help you ease traffic snarls on plant grounds.

This camera technique will pick up ghost images of long-departed vehicles in parking lots, freight sidings or truck loading points. The simple principle behind it will help you plot traffic flow: parked ve-

hicles shield the pavement from the sun's rays; infra-red film merely notes that difference.

Click your camera shutter the next time traffic tangles create problems in your plant. You'll quickly be able to unsnarl them.

Photographic evidence



Follow the lead of insurance companies—take pictures when making claims.

The 225 adjusters of Employers Mutual of Wasau, Wisc., send photos to the home office along with their detailed, written reports. This way people at headquarters get more complete facts about insurance cases.

Try the same method in your business the next time you make a damage claim due to fire, theft, defective equipment, faulty materials or other causes.

Construction planning aid

A bird's eye photo of proposed construction sites can save your company costly headaches later when ground has been broken. Excavation can prove easy or complicated (and expensive) depending upon the terrain.

Aware of this, the Pennsylvania State Highway Department prepared contour maps, based upon aerial 3-D photography, in a recent project. The maps were used to speed up tricky excavation operations needed to widen a two-and-one-half mile stretch of Constitution Boulevard in the western part of the state.

You can reduce involved delays and unnecessary expense by adapting this idea to your own plans for expansion and new construction.

Repair cost trimmer

Photographic analysis can permanently clear up some of your preventive maintenance problems.

Cameras are vital to the program in effect at the Louisville & Nashville Railroad. With a grading spec-

of business problems.

trograph—a device that photographs light rays—the rail line looks regularly into the future of its more than 700 diesels, and cuts costs drastically. Past experience has shown that such photographic analysis of engine wear before breakdown helps keep repair costs down.

If you use it you'll find it can do the same for power units in your factories and production centers.

Distance-bridging training tool

Pictures solve the problem of how to inform employees about your company's far-flung plants and branches.

Take a leaf from TWA's book and let the camera bring distant places to you. The airline uses color photos of airports to give its crews realistic on-the-ground flight training. Formerly, the crews had to make actual flights to familiarize themselves with airport locations and to study and evaluate approach obstructions.

Employing the same technique, you can economically bring distant field sites or far-away assembly lines right to the home office for training purposes.

Obsolescence record

Keep a rogue's gallery of your company's equipment to minimize surprise failures.

That's how American Can Co.'s chief draftsmen use photos to keep track of disrepair in each of the firm's 80 plants. Studying the photos helps them determine whether repairs must be made immediately or can be put off until later. This photo scanning at headquarters does away with time-consuming personal visits to each plant and keeps breakdowns to a minimum.

Any company with many widespread plants can cut the costs of preventive maintenance with a similar rogue's gallery of its own.

PROFIT MAKING IDEAS

Fast-moving promotion

If the life of your product or service is sharply limited by style or fashion, film can help you put your story across fast.

Department store specialists are now promoting fashions more effectively thanks to an idea sparked by Alexander's, a New York store with suburban branches. This year's overseas fashion imports were wrapped in a handy 17-minute color movie package which provided almost simultaneous showings at all Alexander's stores.

In addition, the film will reap sales and goodwill



benefits later through showings to area women's clubs.

Do any of your products have shortlived appeal that would be aided by such fast-moving film promotion?

Problem photos

Prove the need for your products or services with pictures.

An Atlanta, Ga., exterminating firm sends its salesmen out with cameras to shoot the homes of prospective customers. Finished prints, showing termite damage, are given to home owners as proof that a problem really exists. This technique can be employed just as effectively by many other businesses.

Suggestion builder



Low cost movies can put new life in a tired suggestion system. So says Fred Denz, suggestion system director of Remington Rand.

Denz recently embarked on some do-it-yourself film work. With a small movie camera, he created several 30-minute movies designed to spread the word to management and plant personnel on the value of employee suggestions. The movies focus attention on interesting employee suggestions that have already benefited the company—and the employee.

Denz' latest effort is a half-hour film with both sound and color—produced for less than \$500.

Personalized service

Here's a photo idea you can use if your company's products are aimed at individual consumers.

An enterprising jewelry shop owner photographs
(Continued on page 103)

What does it cost



when you lease an auto fleet?

It's been a long time since any customer beat a path to a mousetrap manufacturer's door.

These days it is the manufacturer who is beating a path to his customers' doors. And most likely the manufacturer's salesmen are using a fleet of sleek 1959 or 1960 autos to cover an average of 25,000 miles a year in calling on these customers. This is the way business is done in mid-Twentieth Century America.

At present, industry uses almost one million cars for sales and service, mostly sales. Some 25% of this total is in fleets leased for one or two years; another 23% is in company-owned fleets; the remaining 52%, somewhere around 500,000 in number, is owned by individual salesmen and used on company business. Most of these salesmen are reimbursed on a mileage basis for the use of their cars.

Before World War II, the number of autos in fleets leased by industry was between 1% and 2% of all the autos on the industrial scene. Today, leased auto fleets constitute 25%. This is the measure of the growth of the industry.

What's leasing got that cannot be duplicated by company ownership or salesman ownership?

In general, while auto leasing is

not all white meat and no bones, these are the advantages (though not all apply to each fleet user):

1. Leasing conserves a company's working capital.

2. Leasing permits a company to acquire equipment (an auto fleet) without impairing the company's ability to borrow from its normal sources. If a company borrowed to buy an auto fleet, this would appear as a liability on its balance sheet and affect its financial ratios.

3. In most situations, though not in all, leasing provides an auto fleet at lower cost than other methods.

4. Under a maintenance (fixed cost) lease, companies can budget transportation costs for 12 or 24 months in advance.

5. Leasing eliminates a considerable amount of executive time spent on fleet management, especially connected with selling used cars and checking on repair bills.

6. Leasing eliminates morale problems caused by friction over the cents-per-mile rate at which salesmen are reimbursed. Human nature being what it is, companies always believe they are paying too much and salesmen inevitably believe they are subsidizing the company auto fleet.

7. A leased car is a valuable fringe

benefit. It enables companies to woo good salesmen. It also permits a company to select the best men available and not make ownership of a late model car a prerequisite for employment.

8. Leasing companies deliver cars directly to salesmen in their home territories and pick up the used cars at trade-in time. Salesmen lose no time trading cars.

The alert reader will notice that some of these advantages (the sixth, seventh and eighth) are also available through use of company-owned fleets, and some advantages (the first, second, fourth and fifth) are available through use of salesmen-owned cars. But only through leasing can they all be obtained in one package.

What gain through leasing?

The most important reason why leasing has been gaining at the expense of company ownership of auto fleets is the pressing importance of conserving working capital under today's operating conditions. In 1959, the number of autos in leased fleets for the first time exceeded the number in company-owned fleets. In the coming years it is inevitable that this gap will grow wider.

Before examining the over-all

If your salesmen or servicemen need cars, you have three choices: provide company-owned cars, pay the men for use of their own cars, or provide leased cars. For dollars and cents reasons, firms are turning rapidly to the third alternative. This trend will continue according to a major study just completed. Here the president of a national fleet leasing company presents these findings, together with other facts to support his case for auto leasing.



by **A. J. Schoen**, President
Wheels, Inc., Chicago

why of this situation, let us take a look at a few specific companies to see the relative importance of this factor. This is what it meant to Stuart Herst, of the Herst-Allen Co., Chicago, one of the country's larger kitchenware rack jobbers:

In early 1957 our budget showed that we would have to lay out \$150,000 minimum for cars. The company was only six years old and needed every penny it could beg, borrow, or earn for inventory and current working capital—not for fixed assets.

We could not have expanded our sales without turning to car leasing. In fact, in November, after nine months of leasing, we sold that part of our fleet we still owned to our leasing company and leased it back. This gave us still more working capital.

The Herst-Allen Co.'s leased fleet today represents an investment of \$250,000.

The Colorado Fuel and Iron Corp., of Denver, is a larger and well-known producer. It has substantial capital and access to ample credit. This is what its secretary, D. C. McGrew, has to say on this subject:

Among the principal factors involved in our [adopting a leasing] program are: better control of cost, providing our men with better transportation at all times, very substantial savings in capital investments, and increased salesman morale. . . . The capital

How auto fleet leasing works

All legitimate auto fleet leasing plans have four things in common: 1) the leasing company purchases the autos, 2) delivers them to the salesmen in their home territories, 3) sells the used cars at the end of the lease term, and 4) the leasing company is paid a fee, usually by the month, for its services.

There are two basic types of fleet leasing plans:

Maintenance (fixed cost) lease: In this plan the leasing company, in addition to supplying the desired fleet and the above-mentioned benefits, also provides all repairs, maintenance, licenses, collision insurance, and other miscellaneous items. The entire package is covered by a fixed monthly charge and all depreciation risk is carried by the leasing company. The lessee (fleet user) pays only for the gas and oil he uses. Lease term is normally 12 to 20 months.

Finance lease: In this plan the leasing company provides three services only: the desired fleet, delivery of the cars, and subsequent sale of the fleet in the particular market and at the most suitable time apt to generate the best price for the fleet user. Nothing else is provided: no maintenance, no insurance, no licenses, etc. Payment is monthly (the term usually two years), and includes a lease charge and a depreciation reserve.

The lessee (fleet user) assumes the risk of depreciation. If the used cars bring a better price than anticipated by the depreciation reserve, the lessee gets a refund. If the price is lower, he must pay a deficiency payment.

Fleet operators whose cars are not driven for very high mileages over rough terrain, and hence may need little maintenance, often do better with a finance lease. An experienced auto leasing company will often be able to advise fleet users whether it is to their interest to have a finance lease or a maintenance lease in their particular situations, and whether the risk of depreciation, under the finance lease, is a real danger in a given case.

Most companies which lease fleets today use the maintenance lease plan. The finance lease, which is a newer development, has been growing in popularity in recent years and has been steadily gaining around.

investment which our company has saved is a very substantial amount, which we are able to put to better use in our own business.

In the case of Colorado Fuel and Iron Corp., the company is at present operating a leased fleet of 375 Chevrolet sedans, representing a capital investment of some \$800,000—a sum useful to companies both large and small.

The reasons why companies find the conservation of working capital so important are: 1) working capital is tight for most companies and growing tighter, and 2) companies can, in Mr. McGrew's words, make "better use" of working capital in their current operations than tying it up in a fleet of fixed assets.

According to the most recent Securities and Exchange Commission data, the ratio of current assets to current debt for all business stands at 1.89 to 1. This is not bad, but it does represent a drop of almost 25% in just 10 years. Companies affected by this squeeze are often helped by leasing.

Even more important is Mr. McGrew's second point. In large measure, a company's profits will be determined by the amount of its working capital and the number of times this working capital is turned over. For all U. S. industry, *before-tax profits on working capital* range from 20% to 90%, depending on the industry, with the average slightly better than 30%. This means that every time a company takes a dollar out of working capital and puts it into fixed assets (an auto fleet) it is reducing its current profit-making potential. If a company earns the average 30% rate of profit on its working capital, purchase of a fleet of 100 cars for \$200,000 (to use round numbers) would mean the sacrifice of *before-tax* profits of \$60,000 in just the first year alone!

This fact is well-known by businessmen. It is the main reason why 77% of the cars used by industry are not owned by industry, but are either leased or owned by salesmen.

Let us examine this \$60,000 figure

(representing lost profits in our example of 100 cars) and see what it means in terms of fleet operating costs. The average mileage traveled by a salesman for all industries is slightly over 25,000 miles per year, with a range from 12,000 to 50,000 miles per year. At 25,000 miles per year average for 100 cars, this \$60,000 in foregone profits—which is what the average company must forego if it pulls \$200,000 out of current operations and freezes it in an auto fleet—is equivalent to 2.4 cents per mile per car in operating costs at the average mileage driven by salesmen in American industry. When this 2.4 cents per mile is added to the normal costs of operating a company-owned fleet, the latter is far more expensive than a leased fleet would ever be.

Operating economies. Many companies have discovered that leased fleets have provided operating economies in addition to conserving capital. The amounts, of course, vary with the fleets, the terrain in which

Cost differences in payments per mile and leased fleet

Chart details the difference in costs between mileage payments to salesmen and a leased fleet at different mileages and at mile payments of seven, eight, and nine cents. Note: mileage payments are economical only at the lowest mileages.

Mileage	Leasing, Fixed Annual Rate Based on \$95 per Mo.	Gasoline (Approx- imated) Based on .022c per Mile	Oil and Changes (Approx- imated) Based on 45c per Qt.	Annual Cost: Leasing, Including Gas & Oil 1 Qt. each 500 Miles	Approx- imated Cost per Mile Under Leasing Plan	Company's Annual Cost per Salesman- Owned Car at Mileage Allowance Set Forth			Company Saving per Car Under Leasing Plan, Based on Same Mileage Allowances and Rental Rate of \$95.00 per Month		
						9c	8c	7c	9c	8c	7c
40,000	\$1,140	\$880	\$45.00	\$2,065.00	\$.0516	\$3,600	\$3,200	\$2,800	\$1,535.00	\$1,135.00	\$735.00
38,000	1,140	836	42.75	2,018.75	.0531	3,420	3,040	2,660	1,401.25	1,021.25	641.25
35,000	1,140	770	39.38	1,949.38	.0557	3,150	2,800	2,450	1,200.62	850.62	500.62
32,000	1,140	704	36.00	1,880.00	.0588	2,880	2,560	2,240	1,000.00	680.00	360.00
30,000	1,140	660	33.75	1,833.75	.0611	2,700	2,400	2,100	866.25	566.25	266.25
28,000	1,140	616	31.50	1,787.50	.0638	2,520	2,240	1,960	732.50	452.50	172.50
25,000	1,140	550	28.13	1,718.13	.0687	2,250	2,000	1,750	531.87	281.87	31.87
23,000	1,140	506	25.88	1,671.88	.0727	2,070	1,840	1,610	398.12	168.12	---
20,000	1,140	440	22.50	1,602.50	.0801	1,800	1,600	1,400	197.50	---	---
18,000	1,140	396	20.25	1,556.25	.0865	1,620	1,440	1,260	63.75	---	---
17,000	1,140	374	19.13	1,533.13	.0902	1,530	1,360	1,190	---	---	---

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they travel, their mileage, previous operations, and many other individual factors. Some of these companies have taken the trouble to report to us on the savings they have effected through leasing, as shown in the box to the right.

These are fairly impressive figures, especially if they are added to the benefits to be obtained by conserving working capital. But let me hasten to say frankly that this result is not achieved with every fleet. In cases where company-owned fleets have been managed well, significant savings in operating costs are not possible through leasing. The major saving then would be in conservation of working capital.

Large national leasing companies, however, do have several built-in advantages which often permit them to effect operating economies. These advantages are composed of two elements: 1) volume buying and 2) intimate knowledge of the automobile business. The first permits purchase of autos, parts, tires, and other accessories at the lowest discounts available. This saving is handed on to the fleet user. The second advantage enables a national leasing company to give fleets the most efficient management and, equally important, to sell the used cars at the best prices.

In a nutshell, there are not many industrial companies which can manage a fleet, buy it and sell it as well as a large national leasing company.

The case for the leased fleet, as against the company-owned operation, is well summed up by George Burley, vice president of the Crane Co., Chicago, in reply to this question on a routine questionnaire circulated by my company: *What were the reasons that led your company to change to leasing?*

We originally began leasing [in the fall of 1956] under the premise that in so doing, we would free capital and be able to operate under lease as economically as under company-owned. Further examination made it appear that leasing under central control would permit us to:

1. Standardize on equipment.
2. Buy to better advantage through national leasing companies.
3. Control the amount of equipment in service.

Savings leasing has produced

Company	Saving
Alba Hosiery Corp., New York City	1½¢ per mile
American Marietta Company, Chicago	¼¢ per mile
Cleveland-Cliffs Iron Co., Cleveland	1½-2¢ per mile
Coopers, Inc., Kenosha	15% annually
Ekco-Alcoa Containers, Inc., Wheeling, Ill.	½¢ per mile
Fansteel Metallurgical Corp., North Chicago	½¢ per mile
The B. F. Goodrich Company, Akron, O.	1¢ per mile
Kawneer Company, Niles, Mich.	\$20-25 per month
A. C. Nielsen Company, Chicago	1.3¢ per mile
Weco Products Company, Chicago	\$25 per mo. per car

4. Execute greater utilization of equipment.
5. Exact a more accurate cost picture of the company fleet operation.

To keep the picture straight, Burley reports that while leasing did not effect any reduction in fleet operating costs for the Crane Co., it delivered the five benefits he sought.

Salesmen-owned fleets

The salesmen-owned fleet is an entirely different situation. Here, just as with leasing, the company invests no capital in fixed assets. The company uses the salesman's capital to provide a vehicle, and most of the time the company reimburses the salesman on a mileage basis.

The main argument for this method is that it is cheaper and gives absolute control of costs, since it is based on mileage traveled. However, there is considerable evidence to indicate that salesman-ownership of cars may be, in many situations, a more expensive form of fleet operation and the one which offers the least control of costs.

Wheels, Inc. keeps careful records of these costs and as a routine practice regularly surveys industry methods in all aspects of fleet operation. One of the things we survey are mileage payments to salesmen. Now, there is considerable mythology in this field (I am *not* referring to salesmen's mileage reports) as to what is the "going rate" paid to salesmen for using their cars on company business. There is no such thing as a "going rate."

There is an average rate and, like everything else, it is today at its highest point in history—8.91 cents

per mile. This was the national average for all industries in mid-1959. In 1958 this national average was 8.22 cents per mile and in 1957 it was 7.72 cents per mile. It is clear where these rates are heading. In 1959, for the first time, more companies paid their salesmen nine cents per mile than any other single figure. More salesmen are getting nine cents a mile and up, than are receiving less.

The "going rate" for mileage payments is whatever the salesman can get away with—or whatever a company can get away with. It has nothing to do with actual costs, despite the so-called "scientific systems."

To put this national average of 8.91 cents per mile in perspective, a figure is needed for comparison. Wheels' fleets, for example, operate usually between seven and eight cents per mile. The average for all Wheels' fleets is 7.5 cents per mile and we have a number of fleets reporting costs under six cents and one at 4.9 cents per mile. Naturally these vary with terrain, mileage, and many other factors. But Wheels' average is 1.4 cents per mile lower than the average payment to salesmen. For a 50-car fleet traveling only 20,000 miles per year per car—totaling one million miles a year—this means a cash difference of \$14,000, or \$280 per car annually.

This is not a matter of guesswork. The data developed by the Foundation for Management Research (*see chart*) amply demonstrates that this information is available to anyone who takes the trouble to add up the numbers and make the comparison.

Other costs. So much for direct costs. There are other costs, too. This is what we are told by Paul

Facts about auto usage by industry

Industry	Approximate annual mileage in each industry*	Number of leased cars in each industry**	Average mileage payment to salesmen
Auto Parts & Accessories	22,500	7,000	8.87¢
Baking (cookies & crackers)	22,500	7,500	8.76
Barber Products (mfr.)	27,500	3,500	8.73
Beverages & Bottling	15,000	11,000	9.07
Publishing (magazines & books)	21,000	5,000	8.94
Building Products	22,500	9,000	8.76
Ceramics & Glassware	24,000	3,000	8.91
Chemicals (industrial)	19,000	13,500	9.13
Confectionery	30,000	3,000	8.76
Construction Equipment	25,000	3,000	8.93
Cosmetics	22,500	5,000	8.87
Drugs & Pharmaceuticals	19,000	18,500	8.87
Electrical & Electronics	25,000	16,000	8.81
Fertilizers and Farm Chemicals	37,500	5,000	8.76
Food Processing	21,000	12,000	8.93
Furniture	22,500	3,000	8.87
Hardware (mfr. and distributor)	35,000	5,000	8.76
Instrument Mfrs. (industrial)	25,000	3,000	9.02
Hospital Supplies	25,000	3,000	8.76
Lumber	17,500	2,500	9.16
Machinery	17,500	11,400	8.89
Meat Packing	22,500	4,000	8.34
Metal Fabricators	25,000	6,500	8.76
Milling (feed, grain)	35,000	3,500	8.59
Mining & Non-Ferrous Metals	27,500	10,000	9.04
Paint	23,000	8,000	8.76
Packaging, Paper & Paper Products	22,500	12,000	8.78
Petroleum	22,000	7,500	8.91
Plastics	20,000	2,500	8.97
Plumbing, Heating & Air Conditioning	23,000	10,000	8.76
Radio, TV & Motion Pictures	20,000	3,500	9.03
Railroad	17,500	2,000	8.92
Rock & Cement Products	25,000	3,500	8.82
Shoes & Leather	27,500	5,000	8.62
Rubber	20,000	3,500	9.04
Steel	22,500	7,500	9.07
Textiles	35,000	5,000	8.76
Wearing Apparel	37,500	2,500	8.39

*Figures include salesmen only, but all cars—company-owned, salesman owned, and leased.

**Total number of cars shown as leased is greater than actual total, because of overlapping of different industries. A number of industries which use fewer than 1,000 leased cars were omitted from this list.

Chisholm, vice president of sales of the Mergenthaler Linotype Co., New York:

Leasing permits us to exercise greater cost control because the combination of leased cars and gas credit cards takes the primary travel costs out of the expense account. In addition, with no reimbursement for mileage as such, the need for policing mileage reports is eliminated. In the past, this had to be very closely watched to prevent excessive mileage being reported. Besides cash savings, this means a definite saving in administrative time.

Mergenthaler says that converting to a leased fleet from a salesman-owned fleet meant savings of one-half to three-fourths cents per mile.

Again, one company's experience—or a hundred, for that matter—is meaningless to another company. Each company must examine its own costs, its own set of facts, and then decide on its own course.

Often companies will go to a leased fleet in order to eliminate the friction between salesmen and management over mileage rates. This is because mileage rates have a tendency to pull ahead of actual costs (as they already have) and it is almost impossible to convince salesmen that this is true.

The mileage rate paid is supposed to combine in itself a portion to cover current operating costs and a portion to cover depreciation on the car. This second portion theoretically is to be saved by the salesman so that he can make a down payment on a new car in two years or so. In practice, many salesmen consider mileage payments as covering operating expenses, use the money as current income, and are stuck for cash when trade-in time comes.

Companies which have freed their salesmen from the obligation to provide a car for business use have discovered that they have eliminated many headaches—friction over mileage rates, expense account padding, excessive mileage reports, hiring weak sisters who have cars, etc.

Drawbacks?

Obviously, nothing (not even auto fleet leasing) is perfect and must have shortcomings.

The following are some situations
(Continued on page 109)

How to fire someone

Sooner or later every executive must face up to the thoroughly distasteful task of firing someone. Because firings are distasteful, they are commonly mishandled — to the company's detriment. Here are some tips on how to do it — from a personnel expert who claims he wouldn't be heading his own business now if his last boss hadn't fired him.

By Edgar S. Ellman

Many executives would rather keep house and take care of the kids than come down to work and fire someone.

They don't know how to conduct a sound downgrading interview. They mumble and double talk, soft-pedal and grope.

A case in point was the employee who reported to work the day after he was fired, because he thought the boss had given him a raise.

Longgood and Wallace in *The Pink Slip* relate the tale of the firm, acting on an award-winning suggestion box tip, which decided to discard the customary pink slip for a soothing shade of blue. "Of 178 workers in the next firing lot, 11.3% threw the slips away without realizing what they were, 43.7% of the remainder didn't know they had been fired until the following morning when they reported to work. One discharged employee, an expediting formulator, worked the entire week, reporting to the cashier on Friday for his pay. When asked if he had not seen the dismissal slip, he replied, 'Gee, I thought you were collecting for the Community Chest again!'"

The guilt complex

Why all this fear over firing? Most men hesitate or back down because they just don't want to be thought

of as a bad person. Nobody seems to want to face the guilt he might feel for playing the role of ax-man. Frequently everybody loses on account of this guilt complex over firing.

One of the greatest hidden losses of corporate income is the millions of dollars annually paid in salaries to men who have been "ceilinged out" or kicked downstairs instead of fired.

Let's examine the reasons which underlie this executive avoidance-technique.

First, there is the problem that each case is different. There is no

guidepost in determining whether a man should be fired and how to do it. There never seems to be a best way. The past provides little basis upon which to generalize for future firings.

Secondly, everyone is out of practice when it comes to ego-bruising tasks. Although every executive has fired, he has not done it frequently enough to allow him to become facile or at ease in the act.

Thirdly, you usually have to lie your way out of it, because it is a poor time to counsel with a man on the day you tell him he is through. He doesn't want a lecture. Probably



Cases have actually been reported where the firee thought he'd been given a raise!



Editor's reaction to being eased out.

he wouldn't believe you if you gave him the real reasons for his termination.

Finally, you know it will be a shock because probably nobody ever warned or cautioned the man that he was in jeopardy of being released. Also, it is usually at least partly your fault for having picked him for the job in the first place.

Ad agency men tell the story of William Randolph Hearst who once wanted to fire an editor of one of his many publications. But the fellow had an airtight contract of \$30,000 for three years which stated that his salary had to be paid unless he quit voluntarily. The story goes Hearst stripped him of all duties and moved his desk to the outer office near the receptionist, hoping the fellow would leave to sooth his ego. But instead the plan backlashed. The editor chained himself down to the desk each morning with arm and leg-locks, did push-ups on



**ABOUT
THE
AUTHOR**

Edgar S. Ellman is owner of Edgar S. Ellman & Associates, Chicago personnel consulting firm, established in 1946 and specializing in aptitude testing, supervisory training, employee counseling. Clients include Seagram, Westinghouse, Dr. West, Pure Oil Co., Greyhound, and many Chicago area firms. Mr. Ellman has helped in the selection and upgrading of many of the country's key executives. He is the author of several tests and merit rating methods.

One executive speaks up on firings

What's it feel like to fire a top executive? Here's how the task is described by Arnold H. Maremount, president of Maremount Automotive Products, Inc.:

There is no question about it. Asking for the resignation of a top management person is a tough ordeal, and I wish I knew the best way to do it.

The first time this chore fell to my lot about 10 years ago, I spent a sleepless week planning the interview and handled the ax myself. The anticipation was much worse than the act.

A few years later when a similar decision was made, I dictated a memorandum, immediately sent it off and never gave the matter a second's concern—except that I fretted that I had been cowardly. The man was entitled to ask me whether he could use us as a reference and question the severance arrangements if he didn't consider them satisfactory.

Since then, I have hit on a technique that seems fairer—to have such decisions approved by the board of directors and then delegate the job to an official who could not have been involved directly in the decision but who was close enough to me to handle the termination interview and authoritatively tie up all loose ends.

Once the die has been cast, there is really nothing but embarrassment to be gained by creating a scene. There are enough tensions—frustrations—disappointments in business without embellishments. If the guillotine is inevitable, what's the point of dulling the blade?

the desk top, and went through an animal act routine every time a visitor came to the office. Needless to say, he was paid for in full and let out.

Why companies fire

Corporate management, like all groups which live or work together, has developed its own customs and practices including those governing proper firing technique. Each case is played by ear, however, with no set policy for rerouting the dead-enders. In 1957 an AMA survey asked 129 personnel officers to specify the reasons for firing the last employee discharged by their respective company, and came up with the most common reason: "in 56% of the cases—just plain poor performance."

Faced with shrinking profits in 1956 a firm which calls itself "the world's largest passenger transportation company" hired consultants who recommended hiring competent outside leadership for the presidency. What followed was perhaps the greatest mass exodus of execu-

tive personnel in the history of American corporate enterprise. The new president first hired a personnel executive who administered a battery of psychological tests to all supervisors at the vice president level and below. Among the various tests was a timed I.Q. test developed on children between age 11-17. (It is common knowledge that executives do poorly on timed tests, best on judgment and intellectual factors.) Any first-level supervisor who failed to score 110 I.Q. was automatically zeroed out; any second-level manager with less than 120 I.Q. got lopped. This "pruning operation," as the president called it, resulted in the discharge of approximately 700 supervisory people. Profits kept falling and a year and a half later the personnel man and the new president were both looking for jobs.

The Pink Slip lists some of the "spiritual gaps" in people which lead to firing. The broadest shortcoming of the typical fired executive is that "he just didn't have it here." (This is always stated by gently striking

one's chest in the heart area with the open palm.) Other reasons are: "He didn't come along the way we hoped. . . Couldn't make his assistants toe the mark. . . Didn't fit in with the team. . . Too lenient with subordinates. . . We were hunting tigers and he used bird shot. . . No college degree—too many abrasive edges for social infighting. . . Playing footsie with the opposition. . ."

Employee shock therapy

When you have to make personnel changes, you can only fire, retire, demote, promote, cut pay, or create a new job. Since there is no pat formula and each case is different, let's look at several typical cases:

Firing a union employee: There is only one way to fire a union man and that is to let the union do it for you. Praise the man constantly in the presence of the steward. This will usually take care of the situation.

Firing a relative: This cannot be done so don't try. The only thing to do is to strip the man of responsibility and give him a new title, such as Fiscal Secretary, V.P.-Trade Relations and Special Accounts, or have him devote time to writing a history of the company.

Firing elderly employees: This should pose no problem. Offer a pay cut and a demotion first, then a month's pay. Never give him a chance to resign, though. He will usually say, "Resign, hell, I am going to tell everyone in the industry you fired me." Then you say, "Well, this is no womb-to-tomb business," and fire him on the spot.

Firing younger employees: These lads are easy to cull out of the organization. They usually come around for raises every 30 days or so. Their request for an increase usually includes their saying they have a better job offer elsewhere. Just jump up and grasp the man by the hand, saying, "I know you'll do well there. Will two weeks be enough?"

Firing the temperamental type: This case presents no problem because he is usually digesting his own stomach lining due to personality conflicts in the department. Just say,

"Joe, I don't think you should continue to jeopardize your health with this job, so we are letting you off the hook. How long will it take you to clean out your desk and unload your stapler?"

Firing a secretary: This can be a touchy situation, and you'd better be careful in your approach. Most women cry when sacked so if you don't like tears, don't do the job yourself; delegate it. Never let your old secretary break in a new one. This is your job.

Firing a salesman: The easiest



If you don't like tears or histrionics, better delegate the job of firing women.

way to fire a salesman is to have a consultant with a concealed tape recorder spend a day out in the territory with him and call him in on Saturday morning and begin to play back the tape. He'll usually hang himself in five minutes and walk out.

How to avoid the problem

Hindsight is always 20-20, of course, and the best way to avoid the unpleasant task of firing someone is to avoid hiring the wrong person in the first place, and also to set up additional procedures to help employees grow and keep pace in their jobs. Here are some helpful techniques:

1. Audit selection and upgrading techniques:

Make sure your recruiting, screen-

ing and hiring methods are thorough. Take enough time to evaluate the new man and the promotion candidate.

2. Use progressive discipline:

Foremen and union stewards know about this concept because it is written into most labor contracts. Progressive discipline means that you first warn and caution the individual when he does wrong, that you try to improve him, and that you use a dismissal as only a last resort. If there is someone floundering in your organization, perhaps he can be saved by spending a little time with him and trying to help him do a better job. Don't forget that your job of firing him will be easier later on if you feel that you have tried to do some things to help him. The shock will not be so great to the man either if he is released later.

3. Evaluate potentiality:

A sound program of psychological testing administered by a trained person in your employ or a consultant will help determine the potentiality and flexibility of an individual. It will also point out ways for each man to improve himself. Some people may have looked good when they were hired but do not demonstrate the judgment and adaptability required in the next job up. Earmark these people and keep them in jobs of lesser responsibility so that they won't become white elephants or have to be fired someday.

4. Set up a personal improvement program:

There are many ways to help people grow and increase their effectiveness. Company libraries, financial aid in outside education, employee participation in industry conferences and seminars, group meetings—all these things bring out potential and help employees develop.

5. Merit rating and periodic evaluation:

A modern rating plan lets people know how they stand, this being a form of recognition. Ratings show the *direction* of individual growth and provide the basis for equitable salary administration.

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Case of a mass firing

Here's the case of how a major firing was handled with a minimum of disturbance to the organization. The president who relates this case prefers to remain anonymous.

The company is a medium sized manufacturing concern. The president was brought in from outside to take over the management reins. It was soon crystal clear to him that, if the company were to grow strong, about a dozen men—some of them old-timers in key staff spots—would have to go.

The president tackled the firings as a major management problem, giving the problem plenty of planning.

He worked out a detailed written plan and checked it with some outside advisors who offered criticism and some new ideas. The president revised his plan—and continued to revise it until all objections had been dealt with. Then he set the plan in action.

First step was to gather and organize all the information that could be used when the men were told of their dismissal. This included accurate reasons for dismissal as well as facts on separation pay, and so on.

Once all the dismissal facts were ready, the plan proceeded with careful timing.

Dismissal interviews were held simultaneously. At a set time one morning, each of the men was called into his superior's office and told that his employment was terminated.

The dismissal interviews followed a pre-established general pattern, but were of an open-end nature. In each case, the superior was instructed to break the news as painlessly as possible but without leaving any doubt that the dismissal decision was final. Each superior had held his schedule clear for the entire day so that there would be no need to abruptly conclude the interview before the man himself was ready to do so. All interruptions, including phone calls, were also avoided.

The men being dismissed were asked to leave the premises immediately after their termination interviews. Primary purpose, of course, was to avoid the chance of bitter statements being spread to other employees.

Immediately after the dismissal interviews had been conducted, the president called together all key employees of the company and told them what had happened. He carefully explained why the action was necessary. These key people then carried the news of the dismissals to the other employees throughout the company.

When the word was out, there were some pockets of employee resentment, as had been expected. But on the whole, reports the president, morale actually improved, rather than suffering, because most employees were fully aware that the dismissed men had not been pulling their weight.

Says the president in summary:

"The so-called humane method of firing—the slow death process—is really the cruelest of all, particularly since the man being released is never made to face up to his problem. When we saw that the ax had to fall in our company, we let it fall swiftly and without forewarning. That way the job was finished before people had a chance to chew their nails and say, 'I wonder if I'll be next.' Instead, they said to themselves (or out loud), 'Thank God it wasn't me.' "

employees who desire the opportunity to get advice on personal or job problems. Your own personnel department or an outside consultant can help sound out employee dissatisfaction which might cause poor performance.

7. Define duties and responsibilities:

Write job descriptions carefully defining the job requirements and activities. Post an organization chart showing lines of authority. Hold each man responsible for his own job.

8. Avoid seniority principle:

Promotions should be based on merit rather than a measure like length of tenure.

Don't feel guilty

If you find a situation which can only be corrected by firing an employee, don't feel guilty about it. Face up to your responsibility to release a man who is performing inadequately. Remember, many others may be affected adversely by keeping him on the job. Fire early (before you see the white of his eyes) because the longer you wait to fire a man the harder your job becomes.

Once you have made the basic determination to purify the corporate bloodstream, get it over with—that is, unless the guy happens to drop in to tell you how his wife needs an operation, or his kids need braces—in which case you'll just have to put it off for a few more months or years. ■



You might have to shelve that pink slip if the man is having family difficulties.



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How to develop saleable

Here an experienced marketing man tells you what characterizes a profitable new products program. He gives you eight questions, the answers to which will guide you past the pitfalls in new product development. And he offers you five guides on how to use product development funds most efficiently.

By Edwin H. Sonneck *President, Market Planning Corp., New York*

■ You don't need limitless resources in order to develop saleable new products. You can create a new product program that is efficient if you follow the experience of other firms.

Look at enough of the successful new product programs and you find that most of them have three things in common:

- They are systematically organized and report directly to top management.
- Financial implications are an integral part of the plan, with controllers and treasurers participating actively and affirmatively.
- Any new product idea is measured against the gauge of whether

it will please the customer . . . please him broadly . . . in utility, appearance, serviceability, price, and availability.

Any decision to move forward on a new product program costs some money. How much money, and where it will come from, should be clearly spelled out before you head down the new product road.

EIGHT QUESTIONS

Here are eight questions to ask yourself. These questions will help you determine how much should be invested in your new product program:

1. What is the stage in the life cycle of the industry?

2. What is the actual and potential volume for the product?

3. What's the competition?

4. How much patent protection is available?

5. How important are engineering and tooling costs?

6. How important are marketing costs?

7. What is the ratio of fixed costs to variable costs in production?

8. How much money is available?

1 Life cycle of the industry

If you chart sales volume and investment in product development you'll get two different curves, but



ABOUT THE AUTHOR

Edwin H. Sonneck came to Market Planning Corp. from Ford. At Ford he was responsible for integrating marketing plans with production and financial planning.

Earlier he was manager of Ford's Consumer Research Department.

Prior to joining Ford, Mr. Sonneck was Tubeless Tire Sales Manager for B. F. Goodrich, in charge of marketing the first tubeless tire.

His business career includes advertising and merchandising experience with Montgomery Ward and with Automatic Electric Co.

e new products at low cost

the relationship is comparable from one product field to another. Typically, initial investment exceeds sales. Then sales rise rather sharply. Then competitors enter the picture and all producers can sell their output for a while. Then, as sales stabilize, intensive competition requires more and more product changes. Finally, as the market begins to decline, development costs cease abruptly.

Most producers are reluctant—usually correctly so—to invest in a vanishing field.

A classic example of a product in the initial stage of its cycle was the Model T Ford. In Europe, today, the Volkswagen is in a similar situation.

At the other end of the cycle, we have witnessed the futile investments by Coolerator to up-date the old-fashioned ice box in an effort to make it competitive with electric refrigeration.

2 The actual and potential industry volume

How much you can expect to sell of a product governs the allowable degree of investment in its development and tooling.

For some products, sales can expand as price comes down, which may warrant heavy investments in production facilities. But this is far from a general rule. The expression, "I wouldn't have it if you gave it to me," applies to far more products than one might imagine. The apartment dweller in Manhattan has no use for a power lawn mower, only so many people will buy a baby bottle warmer, etc.

A major reason, for example, that the style in office dictating machines changes less frequently than the style in automobiles is that the market for them is so much smaller.

Affordable investment, in a word,

is not so much a function of product complexity as it is of market size.

3 The degree of competition

Who else is in the field also has an important bearing on decisions with respect to investment.

If you're up against a well-established product, you'll need a much heavier investment in engineering, research, consumer testing, marketing, and similar activities than if you're exploring virgin territory. These investments can be lessened, however, by adroit use of research to determine areas of opportunity which may be exploited—in product design or in promotion and marketing.

As a rule, it takes more dollars to overcome a leader than to pioneer a product and keep first place.

4 Protection is the other side of the competition story

This usually means patent protection. Some companies, like Minnesota Mining, have a cardinal tenet that they will not invest in product development unless the prospects are good for patent protection.

We recently worked with a company to plan market testing and sales development for a foreign product on which U. S. patent rights had been acquired. When we pointed out that the degree and timing of investment in market development would be governed in part by the length of time which this company would have the product on an exclusive basis in the U.S.A., we were surprised to learn that the key marketing executives had no knowledge of the degree or period of exclusiveness we were working with. And this in a company whose beginnings 30 years ago were based on a patented product.

5 Engineering and tooling costs vary widely

The garment industry can bring out a new model with very little investment. Cosmetics need modest amounts for packaging and labeling (but marketing costs are major). If you contemplate entering a business outside the areas of your familiarity, it is important to recognize the kinds of costs likely to be encountered.

6 Marketing costs

Manufacturers accustomed to heavy capital expenditures in the producer goods area may be completely unprepared—financially and psychologically—for the heavy marketing investments required in the consumer goods business. These are characteristically underestimated—but they are just as vital as any other dollar commitment.

7 Ratios of fixed to variable cost

The relationship between fixed and variable costs should be checked out before launching on a project. If the ratio is high, you should have either a guaranteed market or a very conservative estimate of high volume.

For example, a venture into the production of electricity from atomic power presupposes a pretty good understanding of the volume and price at which the output can be sold.

8 How much money is available for investment?

Without a doubt, the tooling and styling of the Studebaker Lark is more a function of available funds than of most any other criterion. Necessity being the mother of invention, a shortage of funds may produce more ingenuity and better solutions than a plentitude would

have. Whatever you do, be sure that the program is compatible with the funds available.

FINANCING THE PRODUCT DEVELOPMENT PROGRAM

Where's the money coming from?

Even though past earnings may have been good and there's a large surplus on the balance sheet, the money may be tied up in facilities and unavailable for new product programs. On the other hand, depreciation charges may provide

cash flow for product development—though theoretically these funds are for the replacement of the depreciated facilities. You should evaluate carefully the relative merits of replacing existing equipment vs. investing in new products.

One stumbling block—sometimes encountered in a divisionalized company—is the notion that each division should finance its own product development, just as though it were an independent company. In our experience, this is very short sighted and is carrying

the profit-center concept too far.

Maybe you can "milk" one of your products—instead of killing it, allow it to die off profitably by removing all or most of its advertising and marketing support. This is really a corollary of the investment principle we stated earlier: make heavy investments in a growing market but cut them sharply in a declining one.

One cigarette producer has won dominance in the filter market by overspending (*i.e.*, investing) financed by underspending, (*i.e.*, milking a declining brand in the regular market.)

Sometimes it may be worthwhile to go outside for financing of new product development. If you're ingenious, you may find other possibilities in addition to the conventional sources such as borrowing (from banks or through bonds) or from additional equity financing. Perhaps your dealers or wholesalers may lend a hand—stranger things have happened. Or perhaps you can use a factoring firm to discount your receivables and thereby obtain funds.

The important point is this: make certain that all available sources of funds have been checked to determine the most suitable and the lowest cost method of financing.

The generation of funds through proper costing and pricing is a critical part of financing, too. Too often, the development is far down the road before a detailed program of this type has been laid out.

And don't forget the time cycle for the product. Traditional cycles for durable goods become shorter as competition gets more intensive: "blue-sky" financial planning on a four-year cycle represents a real loss when your competitors come out with a new product after only two years have passed.

Volume estimates also are critical. If they're too high you'll make an unwarranted investment which cannot be recovered. If they're too low, product programs may be abandoned or inadequate funds devoted to them.

Consider the "standard volume" concept (the average volume expected over a period of years, say five to 10). This overcomes the dilemma of being unable to forecast accurately the volume for a given



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model year. It also introduces pricing stability and thereby helps production stability. Standard volume also provides a yardstick of performance year in and year out by washing out the effects of changes in industry volume—for which the planners and managers are presumably not responsible.

FIVE GUIDES IN SPENDING FOR PRODUCT DEVELOPMENT

Having checked out the need for funds, their availability, and their source—now's the time to consider how you can best spend the money. Here are five guides:

Try first to keep present manufacturing facilities busy

Maybe this is so obvious that it doesn't require mention. But sometimes companies look pretty far afield for new opportunities when they might be more ingenious. Look at the small manufacturer who made tuning pins for pianos: he started making axles for toy railroad cars. Both products come off similar machines, use the same raw materials.

Take advantage of technical knowledge or patent position

If you can capitalize on technical knowhow as well as facilities, you've doubled your chances. For example, in the field of credit, who should be more qualified than banks? Yet consumer credit has been promoted more effectively (until recently) by others. Now the banks are beginning to wake up to their opportunity—First National City Bank of New York's Citibank Credit Plan (and others like it) take advantage of bank facilities, knowledge, and sources of funds. American Express Co.'s move into the credit card field is another example.

Take advantage of marketing knowledge

In the computer field, for example, some companies have pioneered in technology but have been weak on application. National Cash Register, however, capitalizing on its long service to the banking and the retail fields, developed electronic data processing equipment

tailored to the needs of banks and department stores. On the other hand, some very successful marketers enter new fields and flop. General Mills, after engaging in some technical developments during World War II, marketed electric irons and pressure cookers. They are no longer in the business. Fairbanks Morse went into the electric refrigerator business, later sold out to Philco. International Harvester likewise tried the refrigerator business. The Pressed Steel Car company decided that electric ap-

pliances could be made in their plants—the problem was selling them.

Take advantage of financial position

If you have lots of money available for product development, it may be a good rule not to go into anything that requires only a little money. This is on the theory that fringe operators will stay out of the big money operations—and you won't be plagued with marginal operators who don't know what

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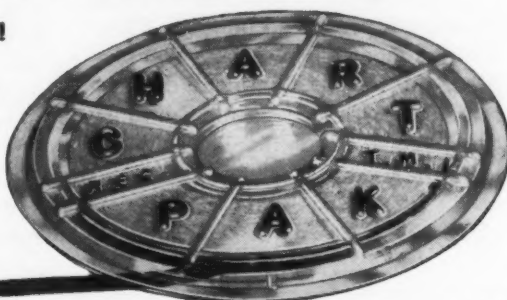
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their true costs are or who are causing distress merchandising as a result of constant liquidations.

Take advantage of distribution facilities

This may be the best way to use your assets. A watch manufacturer with a strong position in the credit jewelry field has capitalized on it by adding small radios and electric shavers to his line. Ford recently decided to go into the automotive finance business, capitalizing on its dealer network. The return will very likely be more than adequate—and the risk considerably less than money invested in the development of a new car line.

TEST ADEQUATELY— AND KNOW WHEN TO STOP

When you plan a new product program, be sure financial and time provision has been made for all of these: laboratory testing—use testing—market testing—consumer testing—marketing testing.

Time and again in our work we run into product programs which are not tested because of these alleged reasons: "No money"—"No time"—"Secrecy." Sometimes these are the real reasons, but often a company doesn't want to know about (or admit) a mistake once a project has been begun.

If you've spent several hundred thousand dollars in a project, perhaps you're reluctant to submit the product to any testing which might say "Halt"—even though it may be much more costly to continue the project and produce a marketing failure. But you've got to keep from becoming so emotionally involved and committed that the project can't be stopped or altered.

SUMMARY

The success of new products can be predicted. It depends on the attention that top management gives to new product planning . . . and on the intelligent generation and use of funds for this type of insurance on future profits. Chances of new product success can be increased greatly by leading from strength: taking advantage of present manufacturing facilities, technical knowledge, patent position, marketing skills, financial position, and distribution facilities. ■

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How to keep people from bothering you

8 ways to destroy your communications with others

— You can save a lot of time if you can just stop people from bothering you.

There are many ways to stop subordinates and associates from bringing you their ideas, problems, and all those other things that people always seem to have on their minds.

One way to accomplish this, of course, is simply to make yourself inaccessible to others. But this is bad form. The modern executive makes it known that he is a firm believer in the open door policy.

Yet even with your office door wide open, you can create an invisible shield that will guard you against the need to listen to others.

To build this kind of invisible shield is easy: when someone tries to communicate with you, just respond in any of the ways shown here.

Before long, people will learn that it's silly to even try to get through to you, and they'll stop bothering you altogether.

When this happens, you'll at last have time to think. In fact, you'll have plenty of time to sit quietly and undisturbed in your office and try to figure out what it is that everybody out there is grumbling about.

Idea stopper number one:

INTERRUPT!

■ Some quick minded executives have mastered the interruption method to perfection. The trick is to let your man speak just long enough so that you can guess what it is he is going to say. Then you interrupt and say it for him. But, of course, you turn his clincher around to support your point of view, not his.

A stubborn individual may try to get a word in again after you have interrupted him once. If so, let him get a good second start. This will demonstrate that you are patient and tolerant. But before he goes too far, interrupt again, and this time



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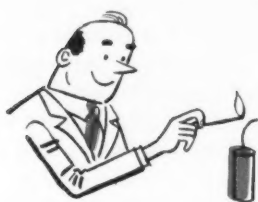
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change the subject completely. Talk about Hurricane Able, nuclear fission—anything.

Chances are that he won't make a third try.

Idea stopper number two:
CREATE DIVERSIONS!



■ Use this method to destroy communication during a meeting. When someone else has the floor, all you do is start explaining something in semi-hushed tones to the person sitting on your left or right. Don't drown out the speaker; that indicates lack of finesse. Let him be heard, but just enough so that people have to listen to both of you. This means they won't be able to hear what you are saying, but they won't be able to listen to the speaker, either.

A variation of this method is to stand up and take over while the speaker is still talking. Use this only on subordinates. With both of you talking at once, it may sound like the Tower of Babel for a few seconds, but if you talk loud, long and fast enough, he will finally relent (out of courtesy to you).

Idea stopper number three:
BE A NAME CALLER!



■ Here is a change of pace approach. You don't interrupt the person who is doing the talking, and

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you don't divert attention. You let him finish what he has to say. Then, when he has made his final point, you just announce that he is crazy. Certainly no one in his right mind would talk or think like that!

It is best to do this name calling in your most resonant voice so that anyone nearby is certain to hear you (remember the open door policy).

This approach is not only likely to destroy your communication with others, but is guaranteed to enliven any sleeping ulcers in the people around you.

But if simple name calling doesn't work, you can use the strongest version of the method—that is, by calling the man a liar. There are a number of polite ways of doing this.

Idea stopper number four:

CHALLENGE HIS INTEGRITY!

■ Again, with this method you let the speaker finish what he has to say. Then you begin to respond, in a friendly way. As you do so, you casually drop in phrases that will reflect the fact that you question his integrity. For example, you can refer to the man's personal or hidden interests in connection with the proposal he has made.

Here are some stock questions to use: What are you trying to hide? Who gets the payoff? What's in this for you? Why aren't all the facts allowed to come out?

Keep making these questions less and less subtle until the man goes on the defensive and starts to deny the charges you are implying against him. He will probably become so wrapped up in the job of defending himself that he will forget all about the thought he was trying to bother you with in the first place.

Idea stopper number five:

CONTRADICTION!

■ Here's a method of destroying communication that requires no imagination or finesse at all. You don't even have to remember to interrupt or distract the man. In fact,

you don't even have to listen to what he is saying.

All you do is wait until he is finished speaking. Then you contradict him. Don't bother with logic or argument. Just say he's wrong. Give no reasons—no if's, and's or but's.

He will start sputtering, of course. You just keep shrugging your shoulders. He's wrong, that's all. Keep repeating it.

If he is a courageous soul, he may try to get you to show him where he is wrong. Be careful. Don't get mousetrapped by offering counter arguments that he, in turn, can challenge.

No, just keep him dangling. Challenge his sources, his experience, his qualifications. Chances are he will eventually recognize your superior wisdom and stop worrying you with thoughts from his less fertile mind.

Idea stopper number six:
CHANGE THE SUBJECT!



■ Of all the methods you can use to destroy the purpose of communication, getting off the subject is probably the most effective of all. And it is so subtle. No one's feelings get hurt and nobody even realizes what happened. The method works best in group discussion.

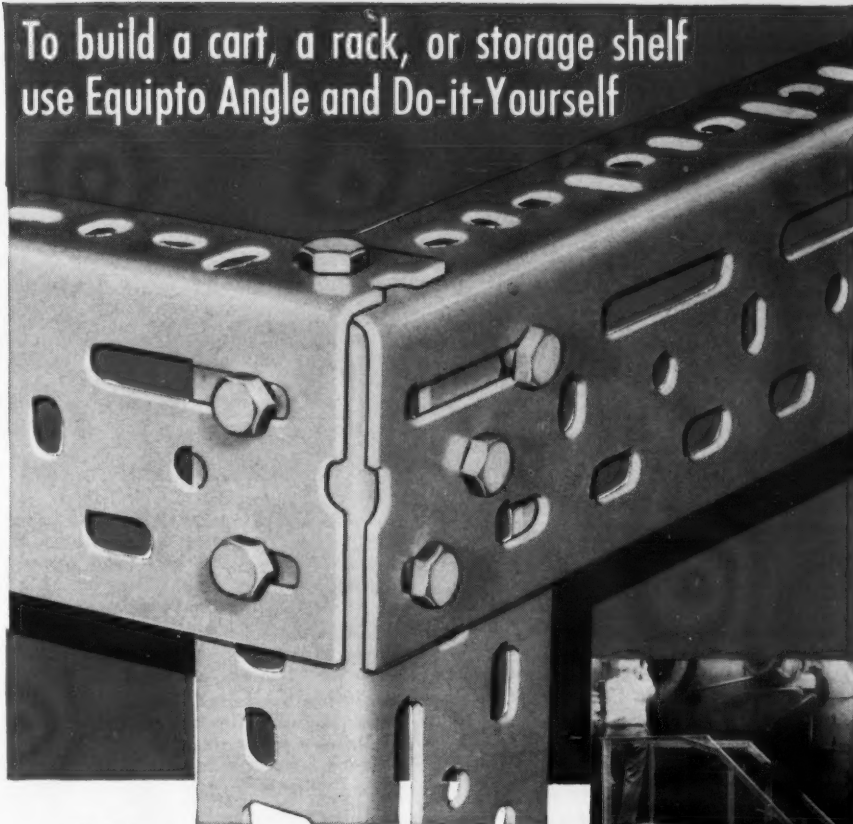
Here's how to do it: Let the subject drift around for awhile. Just when it appears something concrete will be presented—introduce a *new* subject!

Something like this works pretty well: "Say, I wonder if anybody knows what happened to Joe Montgomery. Haven't seen him around for awhile."

Someone is almost certain to answer, and this new subject can be explored briefly. Then you change the subject again—and again, and again—moving the discussion still further from the target.

It's only after the discussion is over that people begin to realize

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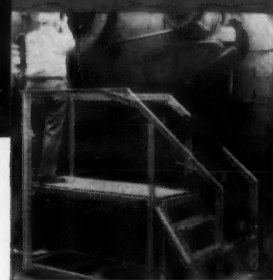


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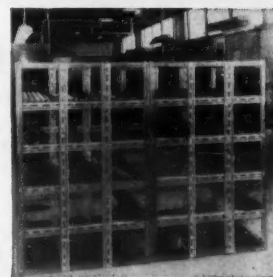
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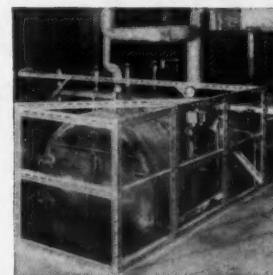
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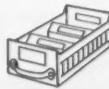
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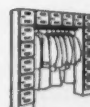
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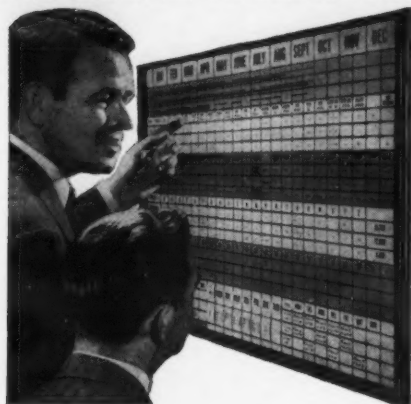
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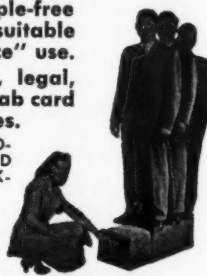
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that they never finished what they started out to talk about in the first place.

Idea stopper number seven:

LAUGH IT OFF!



■ This approach shows how good natured you are. When the other person tries to make a point, don't show impatience. Instead, display your tolerance and good natured amusement. You'll listen if he insists, of course, but what good will it do? The whole thing is amusing, so funny it doesn't deserve to have all this time wasted on it.

A good sentence to memorize is: "Joe, you're a nice guy, but this whole idea is silly."

By using this sentence, you put Joe in a position where he must prove that he isn't silly, and in trying to present his defense, he may show that he isn't really a nice guy. At any rate, as in the case of challenging integrity, the man will get so involved in defending himself that he will forget the original point he was trying to make.

Idea stopper number eight:

GIVE A BRUSH OFF!

■ This method is first cousin to the laugh off. The technique is to interrupt as soon as the man stops to take his first breath. Make it clear that your mind is made up on the matter and you don't want to discuss it further. Dismiss the thing with a wave of your hand.

Follow up this action instantly by picking up and examining some papers in front of you, yelling for your secretary, or telephoning your masseur to verify your afternoon appointment.

There are few better ways to make a person feel like a fool than to brush off what he has to say in this manner. Seldom will he ever come back and disturb you again. ■

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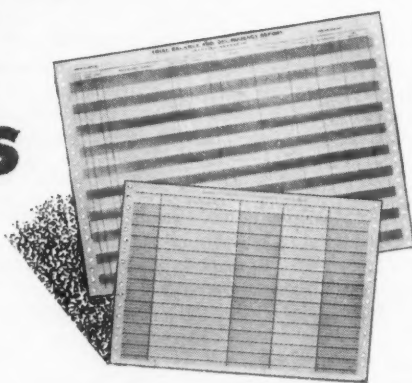
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BRANCH PLANT
MT. OLIVE, ILLINOIS

(Circle number 135 for more information)

CONTROL AT CELANESE

**"Moore forms help us
save \$16,000 a year
in billing costs"**



WALTER L. McINTOSH, Controller, Celanese Chemical Company,
a division of Celanese Corporation of America

Celanese Chemical Company's new automated order-invoice system has brought many advantages, both to the company's management and to its operating departments. These include better control of production and shipping, and centralized billing, with faster, more accurate paperwork in nine locations. The system makes possible a 25% increase in billing without extra operating costs.

The system's basic feature is automatic printing of information on specially-designed forms. Orders are processed like this: first, a customer acknowledgement is prepared on a nine-part form. This is done on an

automatic typewriter that produces a punched by-product tape, containing the order data. As copies of the acknowledgement are distributed, the tape is used to send the order by teletype to the specified shipping point for filling. At the same time, it is picked up on duplicate tape at Central Billing, where it is held until a shipping report comes in. Then the duplicate order tape is used on automatic billing machines to print the invoice on another nine-part form.

A second by-product tape is made at this time, and converted to punched cards. Data for accounts receivable, weekly sales analyses and other control functions are derived from these cards. All through the system, manual operations have been cut, reducing the chance of error to a minimum. Time is saved at every step, and the multi-part forms provide accurate copies for every office need. The forms are Moore Speediflo—the company's control in print.

"When it came to handling paperwork, the Moore man's advice was priceless," said Walter L. McIntosh, Controller of Celanese Chemical Company. To find out how the Moore man's knowledge of systems can help you get the control your business needs, write the nearest Moore office.

MOORE BUSINESS FORMS, INC., Niagara Falls, N. Y.; Denton, Texas; Emeryville, Calif. Over 300 offices and factories throughout the U. S., Canada, Mexico, Cuba, Caribbean and Central America.



Build control with

MOORE BUSINESS FORMS

(Circle number 155 for more information)

FEBRUARY 1960

69

How to motivate your salesmen

■ How to motivate salesmen is one of the 16 toughest problems in marketing.

This is the finding of a survey by the National Sales Executives, Inc.

Yet there are hundreds of ways you can solve this

problem. For example, Porter Henry & Co., Inc., New York sales and marketing consultants, has put together a checklist of several key questions to ask yourself in order to evaluate and improve your motivation program. These ideas will spur lots of others.

Research shows there are six major factors that determine the motivation of salesmen: compensation, promotions and benefits, home office contact, recognition, competitions, field supervision.

Check to see whether your practices motivate or demoralize your salesmen.

Compensation

1. Is your compensation plan simple and easy to understand?
2. Does your total compensation compare favorably with that of other companies in your industry?
3. Does it provide equal potential and equal workloads for each man?
4. If you divide commissions in some instances, are there clear-cut policies on how they are divided?
5. Is there conscious or unconscious favoring of "pet" salesmen?
6. Is the situation fair on house accounts?

Promotions and benefits

1. Is there a clear-cut policy on promotions?
2. Is there a retirement program? Do your salesmen understand it thoroughly?
3. Have you distributed printed material fully explaining all the other employment benefits—paid vacations, insurance, etc.?

From company to salesmen:

1. Are sales letters and bulletins used effectively?

2. Do they contain useful sales information rather than mere preachments?

3. Does the salesman know exactly *what* he is supposed to do, *how* he is supposed to do it, and *why* he will benefit if he does do it?

4. Are contacts—by mail, phone, or personal visit—sufficiently frequent so that the salesman doesn't feel forgotten?

5. Does the salesman get a clear explanation of company policies—and the *reasons* for them?

6. Is he notified promptly of policy changes, new products, new plans, etc.? (Nothing is more embarrassing to a salesman than to learn about such things from a customer or a competitor.)



Is there favoring of "pet" salesmen?

From the salesman to the company:

1. Are his letters promptly acknowledged? Questions promptly answered?

2. Are his suggestions considered, and is he notified of the final decision on them?

3. Does he know what use you make of the sales reports he fills out, and why this information is important?

Recognition

1. Do you have a formal recognition program, such as a "Top Salesmen's Club," a "Junior Board of Directors," etc.?

2. Does he receive informal recognition on his accomplishments—a mention in your house organ or sales bulletin, a complimentary letter or phone call?

3. Is his work periodically reviewed and evaluated? (Everybody wants to know, "How'm I doing?" Experts say it's better to give him a poor evaluation than none at all.)

Competitions

1. Do you use contests? Should you?
2. If you do, are they short, simple, with equal opportunity for all, and frequent reports of standings?

Field supervision

1. Are your middle managers (sales supervisors, district managers, regional managers) *trained* to evaluate and coach the salesmen?

2. Do you follow up to see that they do? ■

Blunt Facts About Your Cost Of Selling To Businessmen

A direct challenge to management about its advertising costs — and results

If you are spending more than \$10,000 a year to advertise to the business market, *we can prove you are wasting as much as 50c of each dollar you spend!*

These astonishing facts are now a matter of record:

1. If you sell to the business market, we can prove that the *bulk of your present and future sales should come from a total market of only 38,000 firms!*
2. Further, we can prove that in these firms, there is a key group of fewer than 80,000 top executives whose decisions control the total sales you can get.
3. There is only ONE advertising medium that *concentrates* on this group—and avoids virtually all waste—*Management Methods*—the magazine you are now holding in your hands.
4. Management Methods gives you precisely this group for your advertising—at a cost LOWER THAN ANY OTHER MEDIUM. It does not dilute your advertising dollar on people who do not have the power and authority to buy.

This is why sellers to the business market have increased their January advertising in Management Methods 61% over the same period a year ago!

Accept our challenge. Let us show you the waste in your advertising. Let us show you how to concentrate your advertising in precisely the hands which can respond—at a cost far lower than any other medium.

The facts in this advertisement are supported by some of the most dramatic studies ever made in this field. We will send you a copy of these studies if you will request it as soon as possible. Simply write on your company letterhead to Research Director, Management Methods, 22 West Putnam Avenue, Greenwich, Conn.

MANAGEMENT MAGAZINES, INC.

Management Methods, School Management, Management Publishing Corp.

22 West Putnam Avenue, Greenwich, Conn.

WHICH MARK IS YOURS?



Bold, stencil marking complies with Marking Rule 6.

Tiny, typed address is difficult to read.

FOUR SIZES:
1", 3/4", 1/2", 1/4"

"FREIGHT MUST BE STENCILED or otherwise durably and plainly marked" reads Rule 6, Marking Freight.

Do your shipments pass this test?

PLAINLY MARKED—can you read the address at 10 feet?

DURABLY MARKED—is the address weatherproof and permanent?

Careless marking costs shippers millions of dollars yearly, say railroads and truck lines. Proper marking would save this.

Try the Marsh Stencil Method on your shipments one week free. Write for sample stencil of your name and 24-page booklet on proper marking.

MARSH

MARSH STENCIL MACHINE CO.
BELLEVILLE 19, ILL.

Pin to letterhead and mail for free booklet and sample stencil of your name.

NAME _____

TITLE _____

(Circle number 151 for more information)



Business electronics

New book translates basic aspects of computers

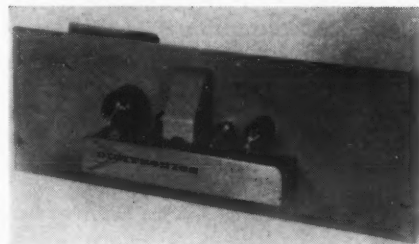
"Computers and How They Work" will give any executive a quick grasp of all the fundamentals of electronic data processing.

Written by Expert James D. Fahnestock, the book uses non-technical comparisons and explanations of basic computer principles. Memories, flip-flops, binary counting systems, programming, circuitry, *et al* become easily understandable couched in layman's language.

The 228-page book is made more helpful with its 113 clear illustrations. Priced at \$4.95, a copy can be secured from Ziff-Davis Book Division, One Park Avenue, New York 16.

Photoelectric reader scans 1,000 characters a second

A new transistorized punched tape reader which stops before the next character at reading speeds of 1,000 characters per second has been developed by Digitronics Corp. The fast stop is possible because a unique design feature has essentially eliminated mechan-



New punched paper tape reader offers wide range of versatility to the user.

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Called
interchan
six, seven
sprocket
tape gui

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Squaw V
instantly

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larly tho
skating
hours to
manually

Latest
timing, e
automate
Xerograp
nessed to

ical motion in stopping the tape. Called the Dykor 3500, it handles interchangeably all standard five, six, seven or eight level tapes plus sprocket by a simple setting of tape guides.

Modular construction of the unit allows specification of only those features required. Thus various stages of amplification are available for both input control and output data signals.

To insure reliable reading levels over wide temperature ranges, only silicon photo-diodes are used. To further guarantee trouble-free operation, the light source is considerably derated.

For more technical details on this solid-state reader, circle number 238 on the Reader Service Card.

Electronic shield protects vital records and safes

Full time protection can be placed around files, cabinets or other equipment by an electronic shield developed by Diebold, Inc.

Even a hand held within the protected perimeter will set off this new proximity alarm. There are no wires to trip, no light beams to interrupt or microphones to record noise.

Components of the system include a master control unit, outside alarm and battery housings, and alarm connections to the protected equipment.

For complete details on this tamper-proof system, circle number 239 on the Reader Service Card.

Split second reports of 1960 Olympic results

Thanks to a unique data processing system, scores and standings in the VIII Olympic Winter Games at Squaw Valley, Calif., will be ready instantly for international release.

In the past, some results, particularly those in jumping and figure skating competitions, have taken hours to determine and transcribe manually.

Latest developments in integrated timing, electronic data processing, automated offset duplicating and Xerography equipment will be harnessed to produce a steady flow of

information for the press, radio, TV, contestants and officials.

For instance, as each racer crosses the line, an IBM Ramac will record his number, name, country and time. At the moment the last entrant finishes, data stored in the memory unit, including biographical sketches, will be printed directly on continuous Addressograph Multilith masters at the rate of 150 lines per minute. In less than three minutes releases will be distributed to 3,000 officials, contestants and press attendants.

Simultaneously, a perforated tape will feed scores and standings via teletype to remote press locations. XeroX copiers will transfer certified data to normal sized masters for Multilith duplication at the rate of

125 releases a minute or 120,000 copies daily from February 18 through 28.

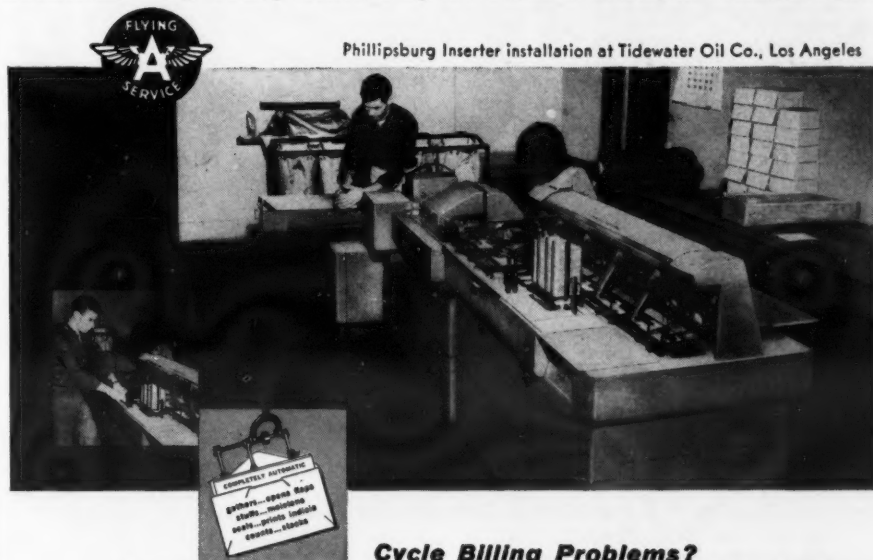
Computer solves problems at extremely high speed

A new computer will enable management to process business or scientific problems 25 to 200 times faster than on existing computers, the manufacturer states.

Introduced by Remington Rand, the new system is called the Univac Larc solid-state digital computer. It can perform 250,000 additions or subtractions of 12-digit decimal numbers per second.

It's estimated that preparation of payroll and labor distribution for a

At TIDEWATER OIL COMPANY invoices and advertising material are gathered, inserted and mailed automatically every month by a PHILLIPSBURG INSERTER



Cycle Billing Problems? Phillipsburg Inserter simplifies, speeds up cycle billing!

Manned by one operator, the Phillipsburg Inserter—with exclusive vacuum feed—stuffs invoices and related inserts into envelopes, seals, prints indicia, counts and stacks—at rates up to 6,000 pieces per hour! Pieces come off the machine all ready for the Post Office. Tidewater is thus able to mail statements early and close cycles on time!

Phillipsburg Inserter's open feed eliminates stapling bills. Send coupon for complete details.



All businesses can save with the Phillipsburg Inserter! Mail coupon for Modern Mailing Through Mechanization brochure...

Bell & Howell Phillipsburg Company
14 E. Jackson Blvd., Chicago 4, Ill.

Please send MM-26

☐ Modern Mailing Through Mechanization brochure
☐ A basic application for my business

Name _____

Firm _____

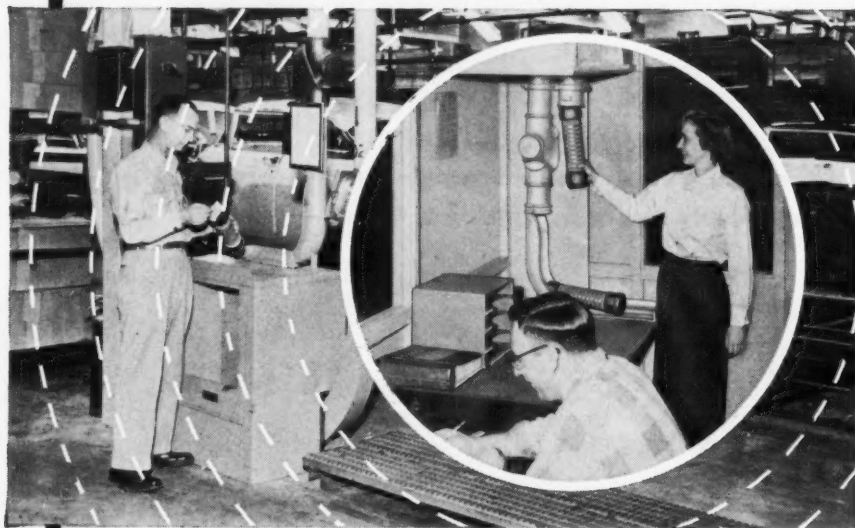
Street _____

City _____ Zone _____ State _____

(Circle number 108 for more information)

MECHANIZE... PROFIT-WISE!

...with a LAMSON AUTOMATIC
AIRTUBE SYSTEM



Now, all departments are but seconds apart and fully informed

If time means money to you — why spend it on paper?
Stop for a moment. Try to estimate how much it costs to send one message from your department to another.

Multiply the costs

Now, envision a system whereby you place your message in a handy carrier, dial its destination, place it in a nearby LAMSON AUTOMATIC AIRTUBE and sit back confident that your message is flying through the air directly to its destination, arriving in a matter of seconds.

Multiply the service

Why not consult a LAMSON Field Engineer. He specializes in inner-communications systems that keep *orders, invoices, records, punch cards, blueprints, small tools, samples, inter-office memos, mail . . .* flying a controlled inner-air route at 25 feet per second, 24 hours a day — AUTOMATICALLY.

Multiply the savings

They will amortize the entire cost of the installation. Simply clip this advertisement to your letterhead for full information about Automatic Airtube Systems and mail to:



PIONEERS the Conquest OF INNER SPACE

LAMSON CORPORATION

214 Lamson Street, Syracuse 1, New York

PLANTS IN SYRACUSE AND SAN FRANCISCO • OFFICES IN ALL PRINCIPAL CITIES

Manufacturers of Airtube® (Pneumatic Tube Systems) • Integrated Conveying Systems • Pallet Loaders •
Selective Vertical Conveyors • Bookveyors® Clinical • Trayveyors® • Food Service Systems •
Blowers and Exhausters • Exidust® Central Vacuum Cleaning Systems • Dryset® Air Vacuum Systems

(Circle number 143 for more information)

firm with 15,000 employees, for instance, can be computed in 15 hours a month. This compares with 450 to 900 computer hours required by conventional equipment. And while the payroll is being run, the Larc can busy itself solving other problems during 93.5%—over 14 hours—of the running time.

This speed of operation is possible because of the application of solid state devices, new logic designs, new ways of routing and manipulating data.

Magnetic core units store up to 97,500 words, while high speed drums have a top capacity of six million words. These are supplemented by a huge storage capacity of up to 40 magnetic tape servos.

For more details, circle number 240 on the Reader Service Card.

Low cost, direct entry computer is easy to operate

Clary Corp. has introduced a general purpose digital computer with a low monthly rental of \$540. Outright purchase price is \$18,000.

Non-technical office personnel can learn to manually operate the computer within an hour, the company states. It takes just a day to train an employee to operate, wire and program the new DE-60.

In many applications, this computer can perform the work of 20 calculators with greater speed.

The keyboard provides manual input through the automatic program control to the arithmetical center which computes, compares, iterates, branches or transfers data.

Simplicity of programming allows the computer to be readied in minutes to handle a wide variety of problems and jobs.

Completely transistorized, the unit requires no special cooling system and operates on standard 115-volt, 60-cycle power.

For more details, circle number 230 on the Reader Service Card.



Compact, general purpose computer can be operated manually by office workers after one hour's instruction.

only with **minifon**[®]

4 hour recording— on tiny (1½ oz.) mailable reel

Weight — 1½ oz.
Silver Dollar Size

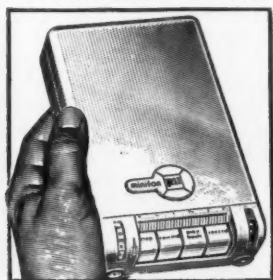


Instant Recording and Playback — with MINIFON Pocket-Size 1¾ lb. Push-Button Recorder

How to save time and money with MINIFON

A new Brochure—"How to Save Time and Money with MINIFON"—is yours—*free*. See how MINIFON is used in 179 ways in more than 100 businesses, occupations and professions. Improve communications. Build sales. Speed marketing and technical research. Protect client relations. You can record that idea and preserve important data anytime, anywhere with MINIFON in your pocket, briefcase or desk drawer.

P-55 Recorder
Pocket-size — 1¾ lbs.

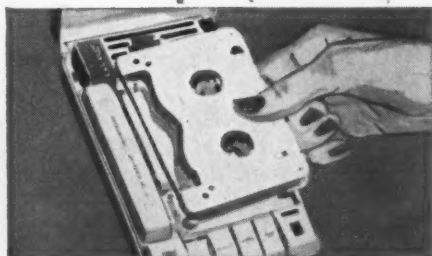


Push-button single Battery or A.C. operated. Instant load. Rapid forward and reverse. Erase by overspeech or during rewind. Twin-track 30 minute mailable magazine-tape—reuse indefinitely. Dy-

namic microphone with stop-start control. Complete transcription accessories. Dictate anywhere—office, home, plane, train, auto—in the field. You've never had it so easy—so convenient.

MINIFON ATTACHE—Magazine-tape 1¾ lb. Pocket- Size all in one Recorder-Dictator-Transcriber

The World's Only Pocket-Size Recorder-Dictator-Transcriber
—All In One Instrument—Using 1½ Oz. Magazine-Tape



Instant load—Drop-in Tape Magazine
Recorder-Dictator-Transcriber

write
today
for
FREE
brochure



Valuable Dealer Franchises Available

GEISS-AMERICA Exclusive U.S.A. Importers, Chicago 45, Ill., Dpt. MM-2

Please send complete information on MINIFON RECORDERS
for ☐ Our Own Use ☐ Dealer Franchise

Name

Name of Company

Address

City State

My special interest in a miniature recorder is for

(Circle number 132 for more information)



Workability with livability in this president's office

THE MAN

*James MacDonald
President*

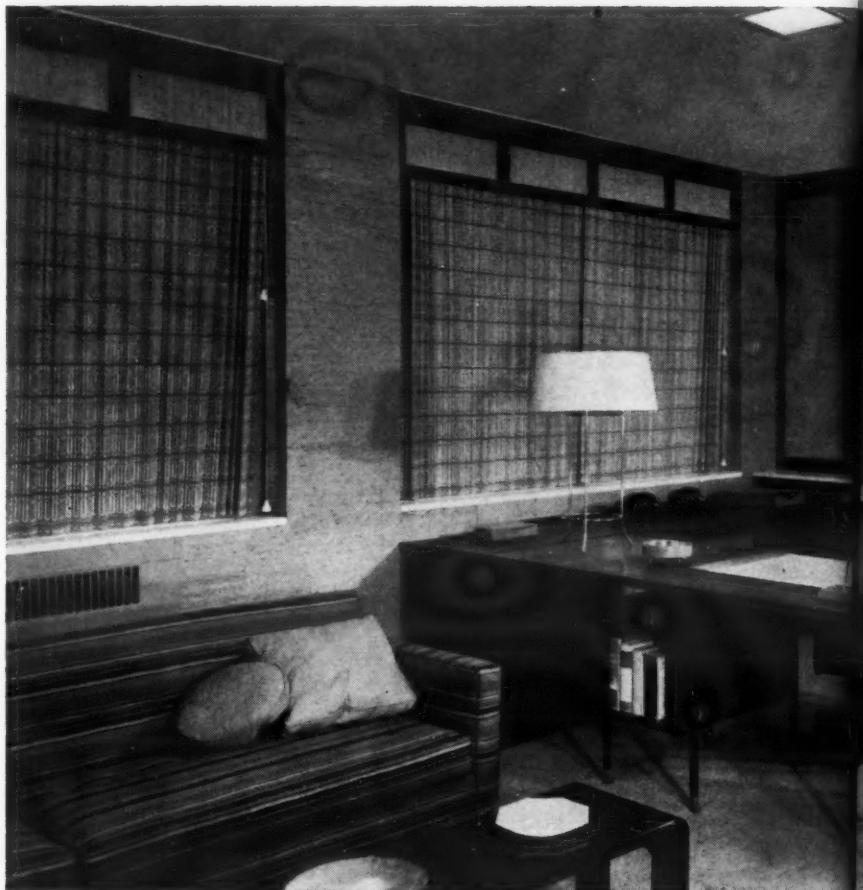
THE COMPANY

*Boston Envelope Co.
Dedham, Mass.*

THE DESIGNER

Frederick W. Davis, AID

Photographs by Donald Zornow



The office of President James MacDonald, Boston Envelope Co., is conducive to both comfort and accomplishment.

Though functional, the Dunbar furniture would be equally at home in any attractive modern living room.

Natural materials and textures are emphasized throughout—giving

a warm rather than sleek effect. Colors are pleasant and masculine, combining muted tones of pale olive, bronze, mustard and charcoal. Sparing accents of burnt orange and yellow give a lift to otherwise subdued decor.

Monotone carpeting blends with grass wall covering and woven wood blinds. Bar, TV, refrigerator

and generous storage space are discreetly concealed by simple woven straw panels.

Ample work and conference facilities are provided by the long, L-shaped desk. Comfortable, roomy sofa serves for informal meetings. The attractive fireplace grouping adds a final touch to an eminently livable office suite.

WHERE HE WORKS



Traditional fireplace lends a pleasant, home-like atmosphere to President MacDonald's clean, uncluttered, eminently efficient office.

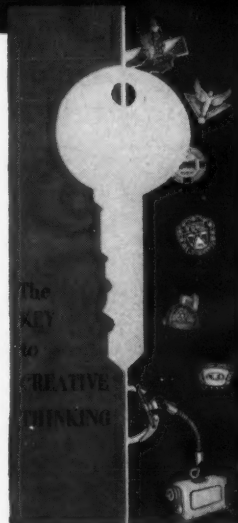


Already a commodious L-arrangement, side panel of desk can be raised to further extend work area—or double as a table for small business lunches.



Wall panels, which suggest simple Japanese shoji screens, conceal 20th century conveniences such as bar, TV and refrigerator.

HELP STIMULATE SALES



with
this
Free
Booklet

This free, attractive booklet points the way to custom-built creations that promote good will.

Write for your free copy today.

WILLIAMS & ANDERSON CO.

INDUSTRIAL DIVISION

Emblem Manufacturers Since 1861

14 Third Street, Providence, R. I.

(Circle number 179 for more information)

Wiley BOOKS

THE TRUTH ABOUT PERSONNEL TESTS—

what they *can* and *cannot* do

10,000

CAREERS

By **R. L. THORNDIKE**
and **E. P. HAGEN,**
Columbia University

The most thorough follow-up study of aptitude tests ever made. It gives results of research in which 10,000 men took a battery of tests, then were queried 13 years later to see what careers they had entered and how they had progressed. Points out useful features and drawbacks. "Must" reading for management.

1959. 346 pages. \$8.50

SEND NOW FOR YOUR
ON-APPROVAL COPY

JOHN WILEY & SONS, Inc.
440 PARK AVE. SOUTH, NEW YORK 16, N. Y.

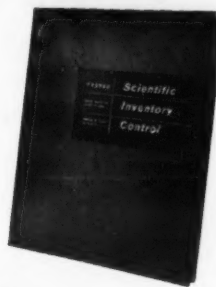
(Circle number 180 for more information)

HOW MUCH

to make or buy

WHEN to make or buy it

a practical man's approach to



ECONOMICAL PURCHASING

Now, the production-purchasing man has his own guide to mathematical inventory control—written by an author who talks his language. This is the first and only book on the subject designed for the man who must do the job himself. It is not a text book—nor is it a theoretical study. Instead, it plunges directly into the heart of your problem—**HOW MUCH** to make or buy; and **WHEN** to make or buy it.

SCIENTIFIC INVENTORY CONTROL

by W. EVERT WELCH, Director
of Purchasing, Aeronautical Division,
Minneapolis-Honeywell

168 PAGES, 8½ x 11, ILLUSTRATED \$12.50

This book shows how modern business mathematics can give you the answers to "how much to buy" and "when." But **you** don't have to be a mathematician to read and use it. 86

easy-to-understand tables and figures lead you by the hand through proved-in-use formulas that are now being used to control inventory in dozens of well-managed firms.

HERE'S A PARTIAL LIST OF CONTENTS

Chapter 1. Why formulas are advantageous in the determinations that create inventory.

2. How to analyze inventory in terms of relative annual usage to properly allocate emphasis to various parts.

3. How to identify the two segments of any inventory: stock for usage and protection against stockout.

4. How to make cost reductions in working inventory without making the usual cost studies of carrying inventory or order placement.

6. How to make and use a large variety of tools for order quantity determination.

7. How to modify order quantity decisions where there are tooling or setup charges or where the price

changes at fixed quantity discount points.

8. How to use order formulas where the projected usage is a variable.

12. How to evaluate leadtime data in the determination of reorder points.

13. How to evaluate usage data in the determination of reorder points.

14. Why stock failures as a percentage of the number of orders is only a partial answer to satisfactory inventory performance.

15. How to prepare a formula for manual or data computer use and for over-all improvement of inventory performance.

16. How to make use of scientific principles in a typical application to a simple inventory.

USE THIS COUPON TO GET A FREE 10 DAY EXAMINATION

Management Publishing Corp.

Room 21, 22 West Putnam Ave., Greenwich, Conn.

Please send me a free-examination copy of **SCIENTIFIC INVENTORY CONTROL**. At the end of 10 days, I will either return the book, without paying any money, or send you my check or money order for \$12.50.

Name.....

Firm Name.....

Street Address.....

City and State.....

Bill me.....

Bill my company.....



Thought starters

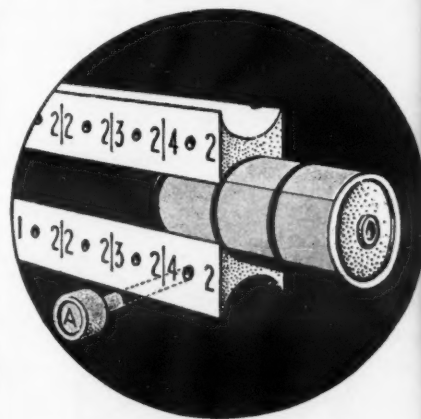
NEW PRODUCTS

New control board gives job progress at a glance

A new mechanical wall chart permits either continuous or broken line charting for production, inventory control, sales analysis and many other applications.

Widely used abroad, the Uni-graph is now being marketed here by Art Metal Construction Co.

The easy-to-plot chart is self-con-



Cut-away section showing rotating color disc, plastic plug and scales.

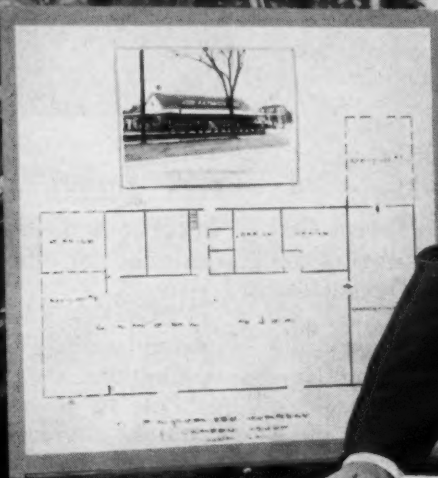
tained, eliminating the need for pencils, strings, other paraphernalia.

Eleven standard models are available offering from one to 25 lines, 12 to 82 cylinders and one to five columns. For confidential uses, models can be fitted with opaque locked doors.

Rows of plastic discs divided into five colored segments can be rotated between engraved plastic scales to form lines or single points of color.

Colored plastic plugs can be inserted in holes for coding or plan-

The Money Machine* . . .



...in which it helps a nursery's garden-shop grow

"We saved \$4,125 the first year with our Monroe Accounting Machine," says John Torizzo, partner of P. A. Torizzo Nursery, W. Hartford, Conn. "This money is helping us build a bigger garden-shop to expand our business. And, with our Monroe, we always get our statements out on time so we get paid quicker."

Through lower accounting costs, Torizzo Nursery enjoyed a 230% profit on the \$1,745 they paid for their Monroe. In fact, hundreds of growing companies have invested in, profited with, Monroe Machine Accounting. Why not join them? As little as \$750 buys it.

***That's what people are calling their Monroe Accounting Machines;** because Monroes *save money* by lowering accounting costs . . . *make money* by freeing capital to grow on.

FREE CASE HISTORIES

Learn how Monroe Machine Accounting earns more "growing money" for companies like yours.

Write:

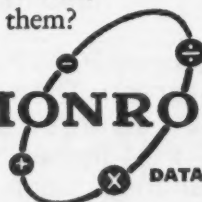
Accounting Machine Dept. 13
Monroe Calculating Machine Company
Orange, New Jersey

See the MAN from

MONROE



A DIVISION OF LITTON INDUSTRIES



for CALCULATING
ADDING • ACCOUNTING
DATA PROCESSING MACHINES

Monroe Calculating Machine Company, Inc., Sales and service in principal cities everywhere. General offices, Orange, N. J.

(Circle number 153 for more information)

ning requirements. A spring card clip showing job number or other data can be attached to color line.

For more details, circle number 207 on the Reader Service Card.

New paper shredder useful in both office and factory

A machine that can shred 400 pounds of paper an hour has been developed by Industrial Shredder & Cutter Co.



Compact paper shredder can be easily moved to point of need.

The shredder serves to completely destroy confidential records and converts waste paper into packing

material. Such shredded paper can also be easily baled and sold in bulk.

The unit can also shred other materials such as leather and scrap plastic.

The mechanism can be adjusted to deliver three different shred widths—1/2, 3/16 or 3/32 inch.

For further details on this unit, circle number 205 on the Reader Service Card.

PROCEDURES

Mechanical helper picks up and routes paperwork

Paperwork flow can be speeded via a new automatic conveying system designed by Barry Hyman Co., Inc.

Called the Hy-Clip conveyor, the endless belt can travel around corners and from one floor to another.

Papers are simply placed in a unique clip. The conveyor automatically delivers and ejects the documents at a pre-selected work station. The mechanical routing can accommodate any number of processing points.

Because personnel do not have to leave their desks to feed or receive from the automatic system, productivity is increased and paperwork pile-up at individual desks is virtually eliminated.

The Hy-Clip can be designed to convey papers in any work pattern or volume.

Circle number 208 on the Reader Service Card if you want more details on how this conveying system can help speed your office paperwork procedures.

OFFICE LAYOUT

Decorative dividers designed for office use

FiliGrille is a fresh idea in office modernization with many practical applications.

Made of polystyrene framed in anodized aluminum, the ornamental panels are ideal as space dividers in offices, lobbies, hallways and showrooms.

Engineered for easy and economical installation, the grillework is available in several attractive de-

now... 3M makes microfilm so easy to use

with the new



Take a look at what you want on the big viewing screen

The new THERMO-FAX "Filmac 100" Reader-Printer makes microfilm so easy to use—makes microfilm practical for use now in everyday business. When your files are reduced to space-saving film, the only equipment you need to make them usable daily is the "Filmac 100" Reader-Printer.

Developed by 3M research, the "Filmac 100" Reader-Printer lets you select the microfilmed information you want on its big screen. Then, when you want a print, just touch the button—and in seconds it gives you an enlarged copy. And the "Filmac 200" Reader-Printer makes enlarged prints up to 18 x 24 inches in size. To get the full story about how 3M makes microfilm so easy to use, mail the coupon.



Ornamental grillework provides attractive screen for entries and office areas.

signs, finished in standard white or custom colors to suit any decor.

For more details on these gridded panels made by Holcomb & Hoke Manufacturing Co., Inc., circle number 206 on the Reader Service Card.

EMPLOYEE COMFORT

Rid areas of insects with new wall paint

Simply painting interior walls with a special wall finish will make the area completely insect proof.

The new alkyd paint, called Kil-

Sect, remains effective as long as the surface lasts. Even scrubbing will not affect its potency, tests show. Although it kills all varieties of insects on contact, it is harmless to humans, the maker states.

Priced at \$7 a gallon, the new paint is available in a wide range of colors from Consolidated Paint & Varnish Corp., New York.

For a free color chip chart and technical reports, circle number 204 on the Reader Service Card.

SEQUENTIAL CAMERA

For accurate conversion of card data to printed form

Here's a new way to transfer data from card records to continuous film or paper lists without chance of error in transcription.

Called the Compos-O-Line sequential card camera, its end product is a photographic negative with information arranged in galley, list or tabulated form, ready for making offset plates.

The device, developed by Lithoid, Inc., can also produce a posi-



New sequential card camera transfers card records to tabulated lists.

tive or negative image on sensitized paper for other reproduction methods. It accepts cards from three by five inches to five by nine inches at a speed of 7,200 exposures per hour. Maximum reduction is 50%, maximum enlargement 200%. The Compos-O-Line can be plugged into any standard wall socket.

Complex tabular material can be set by addition of cards containing chart or column headings.

For descriptive literature on this new Compos-O-Line, circle number 203 on the Reader Service Card.

THERMO-FAX Reader-Printer



Take more than a look—Touch a button to operate "Filmac" Reader-Printers



Take a copy in seconds of any microfilmed record in file



Save time, money, improve efficiency with copies from microfilm

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(Circle number 154 for more information)

How to beat your competition— with service

It's extra service that largely determines who gets sales. And this service becomes a personal matter between salesman and customer. The profit building salesman seeks every chance to provide a service that will attract and hold buyers. Here are 15 ways your salesmen can out-deserve the competition.

by Ted Pollock

Copyright 1959 Ted Pollock

Yet to be born is the salesman who hasn't run into the irritating question, *Why should I buy from you?*

If he works for a small firm, he has to face the stiff, often overpowering, competition of larger companies with all their facilities. If he represents a large company, sooner or later he confronts the independent prospect who flatly states, "I prefer to deal with smaller outfits." Either way, the salesman has his problems. And they boil down to this:

"If all you can offer are the standard advantages of buying from *anybody*—why should I buy from *you*?"

There is an answer to that skull-cracker, so simple that it escapes a surprising number of otherwise competent salesmen and sales managers.

Take banks. In a given city, there may seem to be little difference between the first and the second. Each offers a "complete banking service." Interest rates are pretty much the same. Service charges are identical. Each declares itself "the friendly bank" and each is about as geographically convenient as the other.

It is when you meet, talk with and size up the people in each of the two banks that you begin to find it easier to make your choice. For, suddenly, a bank's personality—like the personality of any company or product—is personified by the human being who represents it. You evaluate the bank, perhaps unconsciously, by judging its representative across the desk.

However hard a salesman may find it to put his finger on the differences between his product and his rival's, he can always find these differences in—himself. Out of 175 million Americans, each person's personality is the only personality of its kind. It is unique. Completely a monopoly!

In short, the salesman's correct answer to the question, "Why should I buy from you?" is—or ought to be—this: "Because I'm me."

But before those three words can become meaningful, the salesman must build into his "monopoly" the most conclusive, sale-making differences he possibly can between his proposition and the next man's. He must literally "out-deserve the competition."

Here are 15 things that your salesmen can do to out-deserve the competition.

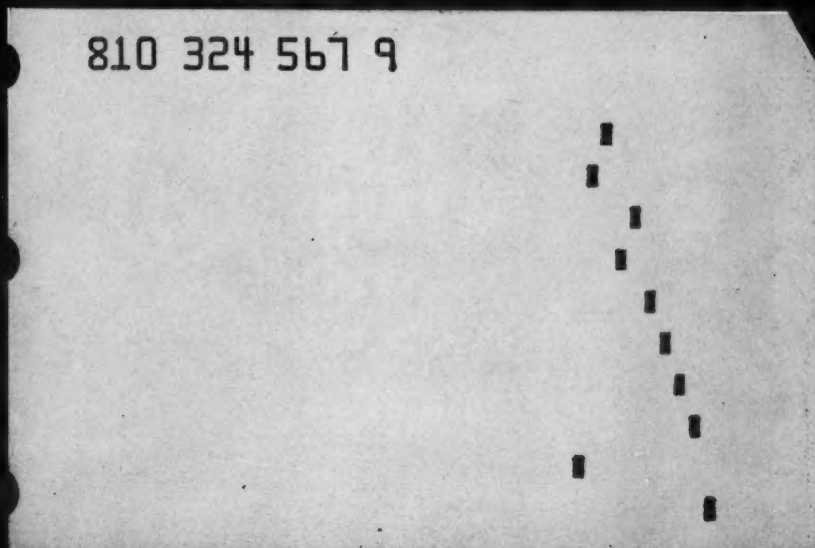
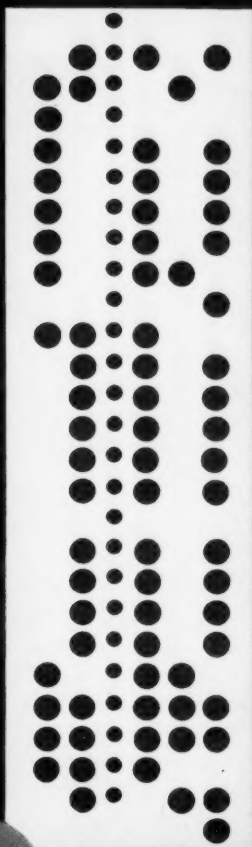
Go "beyond the call of duty"

1. **Help him find something.** Larry Liberman, a Palisade, N. J. new- and used-car salesman, often gets a customer who wants a used car of a particular year and model and wants it in good condition. Larry doesn't wait until such a car happens to be traded in on a deal, because opportunity is perishable and the customer might look elsewhere.

Larry's wife rides to work with him in the morning and, while he keeps an eagle eye on the passing cars that meet his customer's specifications, she copies down the license numbers.

Then Larry checks the license registrations in order to determine the ownership of likely looking cars and mails cards to each owner. These inform the car owners that Liberman has a ready customer for a car like theirs and could make them a good deal on a new car.

"Not only does this kind of effort often result in filling a customer's



BUSINESS-MACHINE LANGUAGE SPOKEN HERE

The Farrington Optical Scanner—also known as the EYE—speaks the three languages that put automatic business machines to work: punched cards, punched tape, magnetic tape.

The EYE does automatically what you're doing this instant: it reads. Words, numbers, even symbols. With a speed and accuracy that no human eye and hand can possibly duplicate.

But that's only half the story. The EYE then translates imprinted data from documents (bills, checks, tab cards, ac-

count cards of varying sizes) into these three business-machine languages.

Optical scanning therefore offers the most versatile way of translating printed data into any form for any automatic data processing machine. Because the EYE sees its data, there is no need for special inks or special papers.

Wherever you find three or more key-punch operators, you find a likely place for an Optical Scanner. Only Farrington makes it.

Farrington Optical Scanners are now automating data processing for companies like:

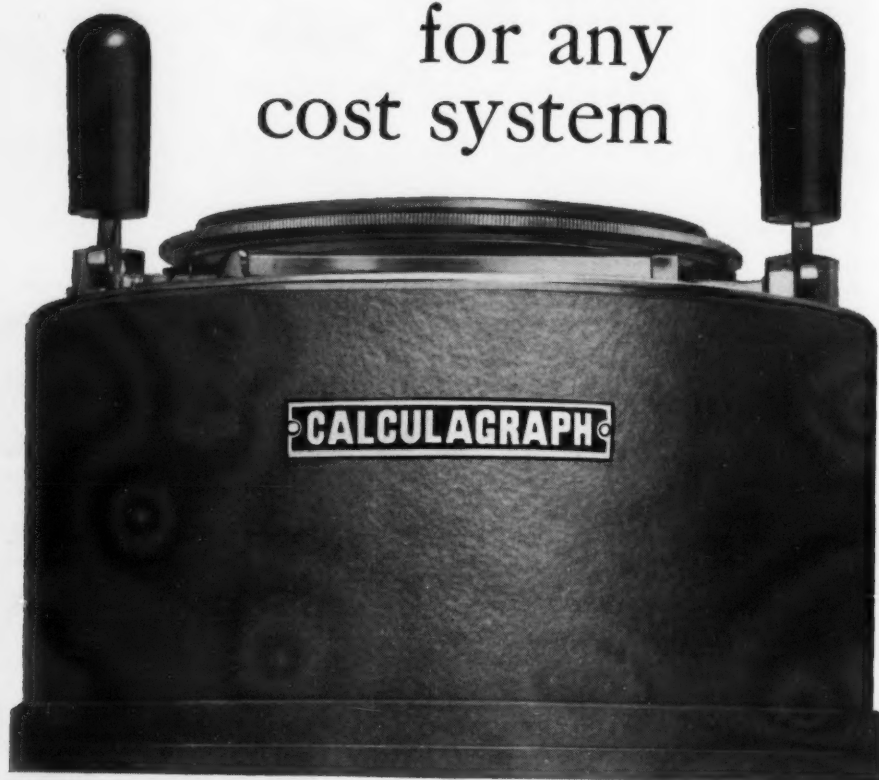
AT&T NATIONAL BISCUIT COMPANY THE READER'S DIGEST MOBIL OIL COMPANY

For further information, write the Farrington Manufacturing Company, Needham Heights 94, Mass.

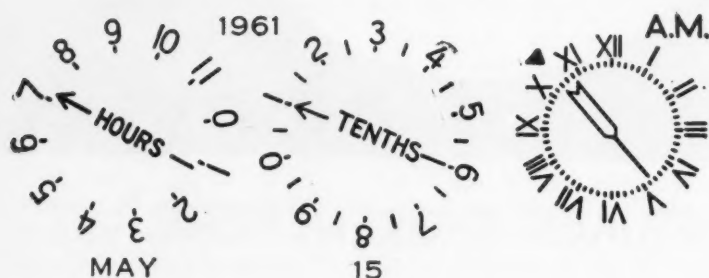
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Automatic foolproof elapsed time records for any cost system



Here's how Calculagraph, and only Calculagraph, does it!



The Calculagraph computer completely eliminates time-consuming, error-producing manual computations to obtain elapsed time for labor costs. The exclusive Calculagraph principle automatically computes the "difference" in starting and finishing times and prints the elapsed time in hours and minutes or in hours and tenths (as shown). Arrows indicate the exact elapsed time. It can be "programmed", too, to subtract all "idle" time such as lunch periods, etc. No expensive changes are necessary to include Calculagraph in your cost system, regardless of what it is. Write today for complete information and enclose samples of your job tickets.

INDUSTRIAL DIVISION

CALCULAGRAPH Company

309 Sussex Street, Harrison, N. J.

(Circle number 177 for more information)

requirements for a good used car," reports Larry, "but it pays an extra dividend in the form of additional new car sales."

A heavy machinery parts salesman keeps an up-to-date library of reference books and clippings on his competition. When a customer needs a part that he can't supply, the salesman volunteers the name of a competitor who can.

Tempting fate? I haven't been squeezed out by a competitor in more than three years," says the salesman. "My people *know* that I have their best interests at heart."

A sales representative for a pharmaceutical company had a prospect who was moving to a new location and wanted to open a modern outlet. He needed store design ideas.

The salesman lined up the names and addresses of the best looking stores he could find in New York, then drove the dealer to the city and spent most of one afternoon with him looking over the various places. The retailer still tells the story, still glows with elephant's memory appreciation. No fear of a competitor ever nosing out that salesman.

2. Go to bat for him with your company. Try as it will, no company can be 100% fair to all of its customers all of the time. There are snafus . . . corporate policies that occasionally backfire . . . plain errors.

What better way for the salesman to let his customer know that he's in his corner than to plead his case when he needs help most?

O. D. Sutter, district sales manager of the A. E. Staley Manufacturing Co., producers of starch products, encourages his men to let their hair down at no-holds-barred sales meetings. If complaints aren't being handled quickly enough . . . if deliveries are held up without explanation . . . if a customer is being incorrectly billed—it's brought up, discussed and not dismissed until it's solved.

Adds Mr. Sutter: "There's nothing disloyal about a salesman who sticks up for his customer 'up front.' Rather, it's the highest form of loyalty, for no company can long exist without satisfied customers. We're grateful to the salesmen who tell us when we err and so are their customers."

3. Be available. Sometimes,



*Get those "received" reports out
as fast as purchases come in . . . with*

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Falling behind with purchase-receiving reports? Take a tip from Ozalid: When goods come in, use your purchase order copy and write in the "received" data. *Then make the Ozalid copies you need*—for accounting, inventory-control, production, other departments. They'll be clean, dry and legible (no messy carbons). Takes only seconds! The desk-top Ozamatic, for example, turns out up to 1,000 8½" x 11" copies an hour. Cost? Lowest per copy of any copying process! Call your local Ozalid representative or mail coupon.

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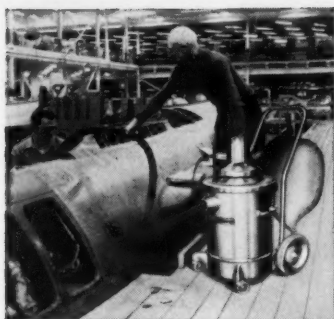
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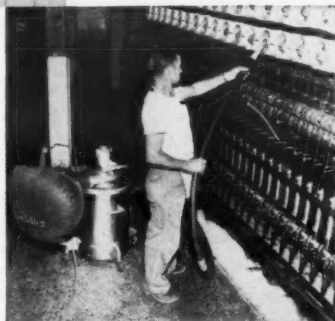


SERIES 400



CLEAN ↑ INTERIORS ON THE LINE

Airplanes, automobiles, appliances — assembly lines move quicker with Tornado at work.



← REMOVE PRODUCTION WASTE

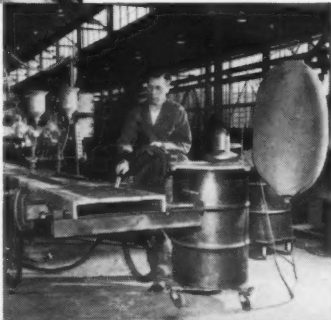
Lint and dust are removed while production hustles. Use this same operation with machine tools to reclaim chips for salvage.

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Production welding flux is expensive, why waste it? Tornado recovers the unused portion for reuse and big savings.

HAVE A FREE SUCTION SURVEY!

Just write and a Tornado expert will call at your convenience to show you how to "Improve your production—with suction."



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(Circle number 110 for more information)

simple availability can help the salesman "out-deserve the competition."

Thus, a salesman of insulation products never goes on vacation without supplying his customers with his transient address and phone number. "They don't use it often," he says, "but the mere knowledge that they can reach me in minutes if necessary gives them a confidence in me that no competitor can shake. The chore of announcing my whereabouts to my 50-odd accounts is more than made up by the sigh of relief heaved by that one customer who has to get in touch with me in a hurry."

Another man, the representative for a chemicals company, had a telephone installed in his car after several customers grumbled about not being able to locate him. Now they can call him at his office, home or any point in between.

Some salesmen leave self-addressed post cards with their customers as handy instruments of communication. Others make it their business to telephone their customers at regular intervals.

Whatever method the salesman chooses to advertise his own availability, he can be sure of this: one of the best ways to beat the competition is to be there when they aren't.

4. Advise him when not to buy. According to Frank Stearn, a representative of Fuller Fabrics Corp., many salesmen incorrectly assume that their sole job is to sell.

"Nothing could be further from the truth," maintains Mr. Stearn. "The real pro knows that it is equally his responsibility *not* to sell under certain circumstances. For example, when a customer is thinking a little too 'big' for his own good and threatens his own future by over extending himself. Or, when he is more optimistic than conditions warrant.

"When I run into a man like that, I make specific suggestions about what items in my own line he ought to cut out. Failing that, I point out the advantages of ordering smaller quantities—but more often—throughout the year. The fact that I am actually willing to reduce my own order emphasizes my concern over his future.

"Since so few salesmen take the trouble to apply the reins on their

'easy buyers,' such a situation represents a golden opportunity to be of real service to a customer—and pull ahead of the competition."

Do favors

5. Put your contacts to work for him. Know just the banker who can help a customer work out a special financing problem? Who, among your many friends and acquaintances, might be able to help Jones find a manager for his new plant? What was the name of that window dresser who did such a bang-up job for Judson in Middletown? Whom do you know who can recommend a good account for Wilson?

The salesman probably gets around more than most of his customers, hence knows more people. He can do a lot of double-barrelled favors by bringing together those who can help each other. The reward: a reputation for being a lot more than just another salesman.

6. Give him a personal assist. Customers aren't just buyers. They're sons, fathers, husbands, brothers, church goers, citizens, taxpayers, campers, golf players, stamp collectors and many other things. Almost surely, there is a way to be of personal service to every one of your customers. Possibilities range from helping a man locate that special gift for his wife's birthday to tracking down a rare air mail stamp from Luxembourg.

7. Look for trouble. Everybody has some and businessmen have more than most. Consider the areas in which problems can occur: labor, management, production, credit, distribution, traffic, advertising, selling, lots more. But how many salesmen of your acquaintance ever take the trouble to find out what's bothering a prospect or a customer?

You can be different—when and where it counts—by "looking for trouble." When you find it, figure out a way to help. If you can't, perhaps one of your company's experts can.

Even if you're helpless, the simple act of listening to another man's woes can have a therapeutic value.

8. Get him off the hook. A prospect is stuck with surplus inventory. You have a customer who needs what he has. A quick phone call and—two happy men.

It's Friday afternoon. You're informed that a shipment to a top



So Different, It's Patented!

The instant the M-50, Columbia's patented polyester ribbon, goes into action, you'll see for yourself the unique combination of ALL these features:

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COLUMBIA RIBBON & CARBON MFG. CO., INC., GLEN COVE, NEW YORK
COLUMBIA RIBBON & CARBON PACIFIC, INC., DUARTE, CALIFORNIA

(Circle number 176 for more information)

account will be delayed because of a snow storm. You call the buyer, explain the situation, guarantee delivery by Monday. Result: a buyer who might otherwise spend a worried weekend enjoys peace of mind.

One thoughtful gesture is worth a thousand promises.

Sell ideas as much as products

In the buying offices of The Kroger Co., supermarket chain, is this sign:

"If you want to sell your product to our company, be sure your product is accompanied by a plan which will so help our business that we

will be more anxious to buy than you are to sell."

That's sound advice for any salesman. And here are two important ways to implement it.

9. Point out opportunities. Surely, from your own experience and those of your fellow salesmen, you have acquired a fund of practical knowledge from which you can draw to the benefit of your prospects and customers: ways to save money, boost efficiency, increase customer traffic, tap new markets, get "extra mileage" out of present methods or materials. Pass them along. "Sharing the wealth" pays the highest kind of interest—interest

in you, your company and product.

10. Offer solutions. Sales representatives for Aluminum Co. of America have access to the world's largest library on aluminum—six million items of informative literature. If a prospect's designers or production engineers need data on physical properties, fabricating or finishing methods—they can get the answers via their Alcoa representative. Even when an Alcoa salesman doesn't know the answer to a particular problem, he can provide a rapid line of communication to his company's enormous technical resources.

How about you? Aren't there ways and means open to you to solve your customer's problems?

Put yourself on a pedestal

Not by words, but through deeds. Your character and reputation can frequently be your "ace in the hole," a trump card you can play again and again to your customer's—and your own—advantage.

11. Be truthful. It's still a rare enough quality to set you apart from the man who "promises big and delivers small." If you cannot honestly get your customer a credit extension . . . swift delivery . . . special help—tell him so. He can plan accordingly. If you disapprove of some course of action he is taking, tell him why and suggest changes tactfully. The payoff: you'll be believed when you tell him why he ought to buy from you.

12. Be dependable. Once you make a promise, keep it. Almost anyone can take a let-down. A lot of people can even take two. But precious few will put their confidence in the habitual hypocrite.

13. Be friendly. Jay Wright sells furniture and office equipment. He keeps his eye on his local paper. When he sees any announcement of a couple getting married or a firm moving to new quarters or a new firm moving into town, he sends them a letter. It carries the conventional compliments and good wishes, but, in addition, it contains a card, headed: "Have you forgotten anything?" This card is a checklist of furniture required for a new home or of equipment required for a new office. And it says that Jay will gladly confer with the person addressed to help him find his

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WRITE TODAY TO:
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WOOSTER, OHIO

(Circle number 163 for more information)

needs. This display of friendly interest gets him many invitations—and results in many sales. And because, naturally enough, people *do* forget things in the helter-skelter of moving, Jay's checklist is a valued memory jogger.

Friendliness can take any of a thousand forms: a non-business call . . . an item of interest from an out-of-town newspaper . . . a birthday greeting . . . regards from an old acquaintance. Look for ways to be a friend and you'll find them.

Follow through

The average salesman loses interest in a customer after the sale is made. But why be average? There are few better ways of consolidating your gains with a man than to "follow through" at the most crucial point of a business relationship: after the order has arrived. Here are two areas that can be fruitfully investigated.

14. **How's your product working?** Did it arrive in perfect condition? Is your customer handling it properly and getting satisfaction? Has he any questions? Inquiries like these not only show that you care; they're a chance to resell.

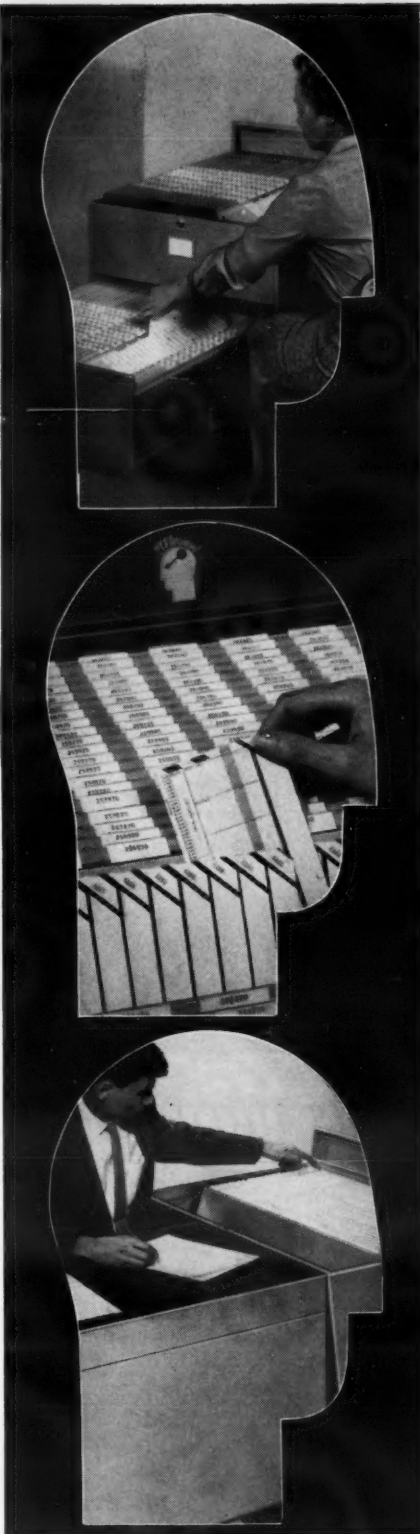
15. **Are there privileges open to him that he is not using?** Richard Tobias, a representative for Connecticut Mutual Life Insurance Co., makes it a point to keep his clients posted on policy changes, new policies and new coverages.

"Sometimes," he explains, "it's to a man's particular advantage to change his coverage. I try to chat with each of my policyholders once every six months. Surprisingly often, our talks reveal additional ways in which insurance can help them. Recently, for example, I called on an elderly widow who was hard pressed for cash. She was unaware that her policy carried a cash surrender value. That routine visit turned me into a 'hero'—and helped her enormously."

Are *your* customers entitled to any "extras"? What about maintenance checks, cooperative advertising, selling aids, help from your firm's various departments?

Out-deserving the competition boils down to this:

Think of all the things your customers have no right to expect from a salesman. Then do them! ■



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split-second record location

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KELLOGG CO.**
accelerated processing 33%...

One VISIrecord system now handles the scheduling and controlling of preventive maintenance for 96 departments. Processing of requisitions was accelerated at least 33%.

**...at
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*reduced inventory time
248 man hours...*

The VISIrecord furniture unit control system also helped increase turnover from 2.8 to 3.5, reduced merchandise return by 10% and cut delivery time.

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A VISIrecord system provides finger tip access to accurate records of carriers and routes for shipments to any part of the country. The traffic manager and one clerk check all shipments, picking the most economical carrier.

The world's fastest visible record keeping system

...can help you

VISIrecord Systems Specialists have the know-how to analyze your record-keeping set-up. Their experience and the facilities available to them will enable them to provide you with a time and money-saving system. Write to Dept. MM-1 for case histories on above and any other applications.



VISIrecord, Inc.

375 PARK AVENUE, NEW YORK 22, NEW YORK
SYSTEMS SPECIALISTS IN PRINCIPAL CITIES

(Circle number 182 for more information)



Imagine the odds management is bucking!

No, you can't blame the men. They clocked in at eight this morning — but, as yet, the work hasn't reached their department. Pitching pennies at least passes the time. But you can bet that game of theirs will show up in the company's P and L!

Sometime soon, when work *does* come through, their department will need an extra shift to get it done. What with down-time one week and overtime the next, the game of chance management's playing is hardly penny-ante.

Too bad this company didn't know about Automatic Keysort Data Processing! With Automatic Keysort's weekly work-load summaries, management would have been aware of the exact situation in every department in the plant. Knowing *on time* which were due to be light, and which overloaded,

they could have acted *fast* to arrange schedules, transfers, extra shifts. Being informed of things almost as they happened, they could have kept production moving smoothly—and profitably.

Automatic Keysort's easy-to-use machines and punched cards require no specialized personnel, no restrictive procedures. Designed to fit your business as it stands and as it grows, Keysort will give you all the fast, accurate information you need for modern management control of every operation. And at remarkably low cost.

To learn more about Automatic Keysort Data Processing, call your nearby Royal McBee Data Processing Representative, or write Royal McBee Corporation, Data Processing Division, Port Chester, New York for brochure S-500.

ROYAL MCBEE • *data processing division*

NEW CONCEPTS IN PRACTICAL OFFICE AUTOMATION

(Circle number 165 for more information)

How to get a man to really work hard

Buried deep in every normal man is an all but limitless potential for productive work. Money alone won't release this latent productive power. But if you give the man control over his own job, the results he will produce may be startling. Here are the facts.

By Louis A. Allen

There exists right now a way to get your people to work harder, work longer hours, work with greater interest and enthusiasm.

New research proves that you increase output when you give people *control* of their jobs. Properly applied, this method serves as the strongest form of motivation.

Why? Because every person closely identifies *his own efforts* with results secured.

The key word is identification. If it is *your* family, *your* job or *your* company, you'll break your back for it. But if it is somebody else's little Bobby or pet engineering project, it's difficult or impossible to work up the same kind of all-consuming interest.

Have you ever seen a husky football player burst into tears after his team lost a hard-fought game? The reason is that he has so completely identified with the team that the loss is intensely personal. If he had a supervisor playing beside him who told him when to run, when to pass, and when to block, you can be sure he would be as unconcerned about the loss as a typical first-line foreman is when he hears that the company just lost a big order.

People in business often get very little of this intense personal feeling of belonging because they get little chance to identify. In spite of what their boss tells them, or what the organization charts say, the things that happen on the job spell out clearly that they are only cogs and not a vital part of the operation. Since they have little or no control over their jobs, they have little interest in results—or lack of results.

Poor re-organization

For example, one large mid-western company undertook a major re-organization. A team of consultants made recommendations, and top management began to move people around like pawns on a chess board. The sales manager, perturbed at what he took to be a demotion to a staff job, quit and went to a competitor. The execu-

tive vice president was highly incensed at not being invited to attend a top strategy meeting. He ended up in the hospital with a peptic ulcer. After three years, the company has engineered all of its organization moves, but its human motivation is a shambles.

What killed incentives

In another instance, a New Jersey hardware manufacturer installed a new assembly line in the parts assembly department. On Friday night, the employees finished their work on the old line. When they came back on Monday, the new setup was in operation, new standards had been engineered, and new work stations assigned. Even the lunch hour had been changed.

Although opportunities for incentive pay were improved by at least 10% under the new arrangement, a strong undercurrent of opposition set in. After several days four women operators complained of migraine headache and blamed it on the reflection of the new, brighter lights on steel moving parts of the conveyor mechanism. Several disputes over standards broke out, grievances increased markedly, and there was a general air of hostility on the part of the work force.

Called in for his advice by the plant manager, an outside consult-



**ABOUT
THE
AUTHOR**

Louis A. Allen, of Palo Alto, Calif., heads his own management consulting firm, working both in the United States and abroad. He recently returned from consulting assignments in Africa and India. His book, *Management and Organization*, published a year ago, is already in a second printing and has been translated into French, German and Japanese.

Mr. Allen has served as a visiting professor at Stanford University, University of Chicago, and New York University.

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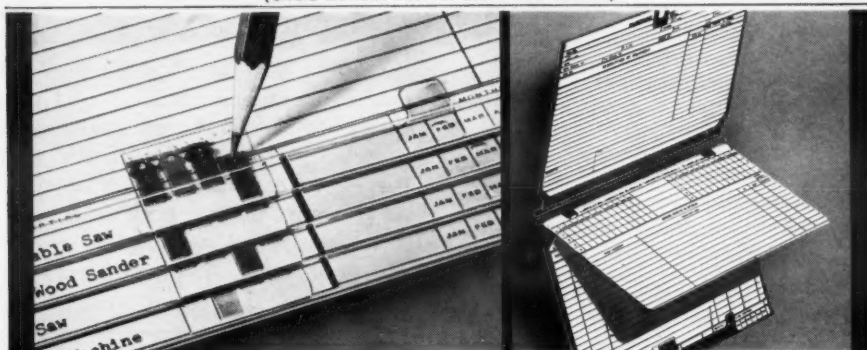
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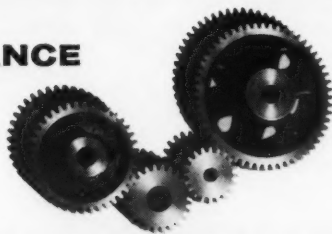
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ant quickly sized up the situation. "I want you to go home at five o'clock tonight and leave me here for an hour with the assistant plant manager," said the consultant. "Instruct him to cooperate with me to any reasonable limit."

The next morning, the plant manager came in and found his office occupied by his assistant.

"The consultant put you in my office down the hall; he said you're to move right in," the assistant said.

The plant manager hit the ceiling. For several minutes he was almost incoherent with anger and suspicion. "Why didn't you tell me?" he roared. "Don't you know I run this plant?"

The consultant took him aside. "You can understand now how 58 people in parts assembly felt when they came to work Monday morning," he said. "If you want to improve production on that new assembly line, just put yourself in their shoes. How would you advise me to proceed?"

The plant manager saw the point at once. He agreed that people could not act as part of the team—they were unlikely to develop a real and personal feeling that they belonged and that their efforts were important—unless they had some control over what was done.

The important conclusion for any manager who wants to improve productivity is that he must learn to do those things that help make people feel they really control their jobs. This literally amounts to putting each man in "business" for himself. Just talking about it won't do the trick. Clearcut, purposeful management action is needed.

Putting people in business

What kind of action? The best approach is, literally, to put people into business for themselves.

The first step is to make it clear to every supervisor and manager that he is accountable for clearly specified results. Whether it is dollars of sales, units of production, or programmed staff services, discuss his objectives with him and come to a mutual agreement on what he is expected to produce.

Second, make up your mind to delegate to him the authority he requires to accomplish those re-

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sults. Find out what he thinks he needs in terms of people, materials, and tools and equipment. Go along with him as far as you can in granting this authority; explain clearly *why* you have to draw the line when you know you must make the decision instead of leaving it up to him.

Help him help himself

By now he already is beginning to think of *his* results and what he needs to accomplish them. Encourage him further by helping him prepare his own program and budget. Once you've agreed on these vital steps, he really *is* in business.

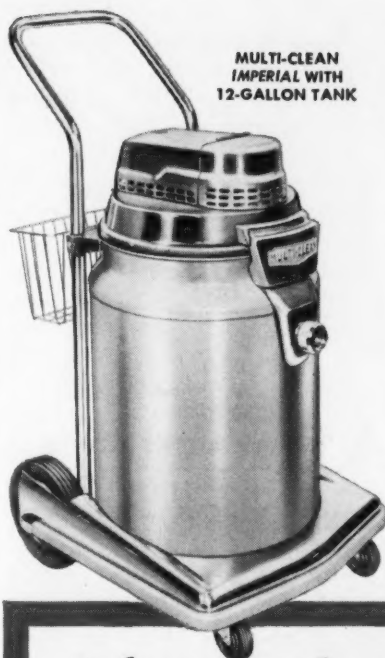
Now give him the controls he needs. Perhaps he has been getting no control information at all. Work with your accounting and cost people so that he gets control data on his operation before anybody else, including yourself. Put it squarely up to him to identify his own variances and to take necessary corrective action on his own initiative.

To make it stick, appraise and counsel him periodically on his performance. See that his promotion, salary increase and bonus are geared to his accomplishment. When you've done this, you've given him real control over his results and his job.

Build participation

It is just as important for the members of the team to have real control over their jobs as it is for the boss. The best way to develop this attitude is to give people an opportunity to participate in making the decisions that directly affect their work and their interests.

For example, to see this in action, observe how General Foods handled a re-organization problem. Faced a few years ago with the need to divisionalize and decentralize, General Foods' top management looked to the problem of best placing three manufacturing executives from the soon-to-be dissolved functional manufacturing department. The first proposal was to place the three in the corporate staff marketing department. However, General Foods has a policy which states that every person should have an opportunity to express his views on matters affect-



Within the next year or two, your firm will probably purchase one or more Vacuum Cleaners. Before making your choice, there are certain points you should consider . . . certain questions you should ask the salesman:

How much suction will it produce?

To create the powerful suction needed for *complete pickup*, the heavy-duty turbines of the new Multi-Clean IMPERIAL pull in air at rates up to 216 miles per hour. By moving more cubic feet per minute . . . and at greater speed, more pickup power is obtained. IMPERIALS create suction up to 92" waterlift with closed orifice, 73" with $\frac{1}{2}$ " opening!

At what speed does motor operate?

Special Multi-Clean built 1 and $1\frac{1}{2}$ hp motors turn at only 12,000 rpm with no load, 9,550 rpm with full load . . . much slower than the speed at which most other motors must operate in order to create same suction. Therefore, much less motor wear.

Before you buy a Vacuum Cleaner ...ask the Salesman these questions

How often must we replace brushes?

Stabilized motor brushes are an exclusive, patented Multi-Clean feature. Tests show their average life is 1,000-1,500 operating hours vs. 250-500 hours for standard brushes.

Is the filter washable?

Multi-Clean's patented filter is made from a quick-drying *washable* synthetic fibre which won't rot or mildew.

Does tank have a gravity drain?

Multi-Clean IMPERIALS have a convenient non-clogging gravity drain. Makes it easy to empty tank without disturbing the head.

Does it have two casters?

The practically tip-proof IMPERIAL has 2 big wheels plus 2 casters (instead of the traditional 1). This greater stability is important, for a 17-gallon Vacuum Cleaner weighs about 300 lbs. when full.

Is the cable detachable?

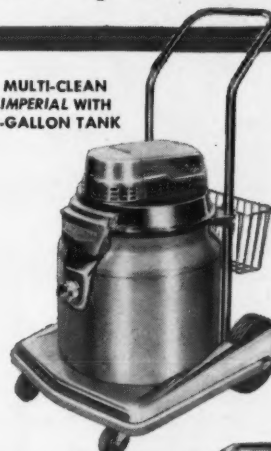
30-foot, 3-conductor IMPERIAL cable has same twist lock connector as most Multi-Clean Floor Machines. If you wish, same cable can be used for both.

And what about other features?

Other important advantages you gain when you buy a Multi-Clean IMPERIAL: By-pass motor cooling system . . . automatic shut-off to protect motor from water . . . improved design of clamp which holds power head . . . large wheels which facilitate moving up and down stairs or from building to building . . . wide choice of attachments.

For more information on the new IMPERIAL Vacuum Cleaners, see your local Multi-Clean Distributor . . . or write directly to factory.

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(Circle number 172 for more information)

ing both his job and his interests.

In line with this policy, the managers in question were consulted. They offered some cogent reasons why the move should not be made as planned at that time. A different solution, acceptable to all concerned, was worked out, and the re-organization proceeded with harmony and dispatch.

Management accountability

Giving people control of their jobs does not mean that the manager gives up his prerogative to make final decisions. Neither does it mean that he puts decisions up for a vote or runs his department with a ballot box. The first purpose of a leader is to lead—to assess opportunities and to give guidance and direction to his people so that they work efficiently and with highest productivity. Nationwide Mutual Insurance Co., for example, endeavors to give employees at all levels a real feeling of proprietorship in their work and the results they achieve. However, the company insists that unity of command, unity of direction, and single accountability for the attainment of objectives shall be preserved. To get a clear understanding of what is involved, we should understand the three categories of decision making and the place of participation in each.

Group decision. Here the group decides and carries out its own decision. Before permitting participation to go to this length, the manager should determine beforehand the feasibility of his going along with the group decision, no matter what form it assumes. If he has mental reservations, it is better not to let go the reins. Nothing is worse than the post-mortem "I said it would be okay, but . . ."

Group decisions most often prove workable in matters related to the internal functioning of the group. The team can determine its own work procedures and set its own standards, provided they fall within the framework of the manager's requirements and those of the company.

Command decisions. Management can be the most lonesome job in the company because of the frequent requirement that the manager forsake all advice and sugges-

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tions and make the decision he feels is best for his group. Even though this kind of decision may permit participation during analysis of the problem and development of alternatives, there can never be any doubt as to who has the final word and that his decision must be followed.

Some researchers believe that the command decision is passé, and that all matters can be entrusted safely to group vote. This highly theoretical conclusion is both fallacious and dangerous. In practice it rarely works out for the simple reason that the group members may not be fully aware of the needs and requirements of higher management levels; nor can they weigh and assess with objectivity the importance of their activities compared to those of other groups reporting to the same superior. Left to its own devices, a group tends to initiate, decide, and to act in conformance with the compromise thinking of its members. This is not always rapid or flexible enough, nor sufficiently vigorous and enterprising, to ensure competitive leadership. In general, problems involving two or more groups most often require command decisions made by the common superior.

Democratic decisions are reached by the group as a whole, including the manager. Each contributes his own special knowledge and point of view. Through discussion and reconciliation, a general sense of the meeting is reached and this becomes the decision that triggers group action. This approach allows fullest participation. However, the manager should be adept at questioning his people, and he must be psychologically primed to *listen*, so that he will understand not only the words he hears in this democratic give and take, but also the meaning behind the words.

Provide feedback

Attempts to give people control of their jobs often fall down. This happens, for example, when members of the team contribute ideas and recommendations but their suggestions seemingly fall into a vacuum—no action is taken and they never hear what has occurred. This is fatal, because it clearly underlines the suspicion that partici-

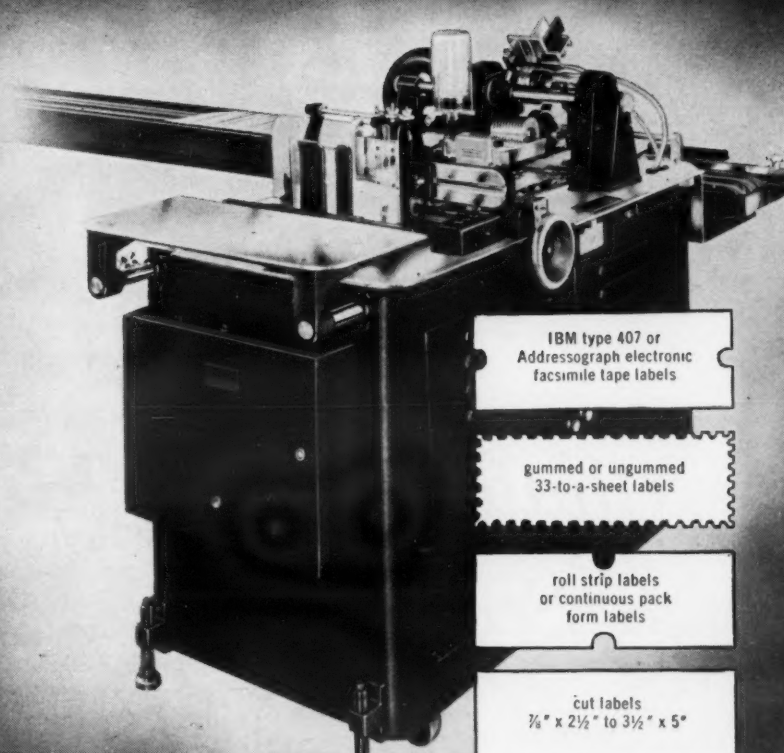
pation is being used as a gimmick.

Much better is the approach followed by Aluminum Co. of America in its Conference Plan for Management. In this approach, operating supervisors are encouraged to offer suggestions for improvement and innovation in regularly scheduled group meetings. Alcoa has a ground rule that ensures enthusiastic and worthwhile contributions: each recommendation merits either action or an answer. If action is indicated, the group learns what is to be done and usually has a hand

in carrying it out. When follow-through on the suggestion is not feasible, a prompt feedback report is made, fully explaining the reasons.

Authoritative estimates indicate that most people in business work produce at less than 40% of their potential. That leaves a lot of room for profitable improvement. You can get people to reach for this improvement in their own performance if you do just one thing: give them some control over their own jobs. ■

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How to uncover HIDDEN HAZARDS in your "safe" plant

Even plants that seem clean and safe hide costly safety hazards. Yours might be one of them. How do you remove these hidden hazards that could prove disastrous? You can't do it yourself. But you can motivate your workers to accident-proof your plant. These cases show how.

by Harold S. Sharp, Technical Librarian

A. C. Spark Plug Division, General Motors Corp., Milwaukee

It's the safe and clean plant that often contains the most costly hazards.

A midwestern plant was a gleaming testimonial to a safety minded management. No stairway was too steep, too narrow or without railings. All gears or other moving machine parts were shielded. Where their eyes might possibly be in danger, all workers were required to wear safety goggles. Areas where intensive heat was concentrated were insulated to minimize the possibility of fire.

Yet when the plant's management called for a general inspection and spring cleaning, it found haz-

ards that could have touched off a million dollar fire. In the workers' lockers, for example, there were over 450 oil shop towels and more than 350 packets of book matches. Had a fire resulted from spontaneous combustion, the plant, many jobs and possibly human lives might have been destroyed—in a company where safety and cleanliness were almost a religion.

Hidden hazards like this can be as small as a dime-sized oil spot or a carton left standing in an aisle. Often hard to find, such hazards can result in costly damage payments or a fire that levels your plant.

Yet you can anticipate, locate and dispose of potential hazards simply, quickly and at low cost. How?

Experience shows that the commonest cause of the hidden hazard is the worker himself. So the key to removing plant hazards is not to spend your time looking for dangers and ways to correct them. The way to do it is to motivate your workers themselves to shortstop hazards before any danger arises.

How can you encourage workers to maintain plant safety?

Companies that have done it report that a two-step program worked best.

■ First, they demonstrate and dra-

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Clifford Jelinske, (right) of Bruning's Milwaukee Branch, and Philip Beckley, of The Trane Company, review results of unique solution to paperwork bottleneck. The Trane Company is a leading manufacturer of heating, ventilating, and air conditioning equipment.

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matize the innocent ways in which potential dangers can crop up. They show workers how serious small oversights can be.

One plant manager called his men together and showed them a model of the plant in which they worked. The touch of a button ignited a spark under the model and flames quickly consumed it.

"A simple but effective way to hammer home the idea that each man has to be on his guard against hidden hazards to safety," says the manager.

■ The second step is to utilize the motivational power of competition.

To encourage men to meet, or supersede, a given standard, give them the opportunity to compete against each other. The record shows that inter-departmental competition is an extremely effective way to motivate employees to maintain plant safety.

These cases show how to do it.

Complete indoctrination

The Tappan Stove Co. of Mansfield, Ohio, has maintained a plant cleanliness, orderliness and safety program for more than 10 years.

Set up by a committee of management and employee representatives to assure mutual management and employee cooperation, the program is based on departmental competition.

Under the firm's housekeeping plan, department heads are responsible for orderliness and cleanliness standards within their respective departments.

Floor plans depicting the area for which each department head is



ABOUT THE AUTHOR

Harold S. Sharp was chief librarian for I. T. T. Federal, a division of International Telephone and Telegraph, Fort Wayne, Ind., before assuming his present position as technical librarian for A. C. Spark Plug Division of General Motors Corp. Holder of a Bachelor's degree in Business and a Master's degree in Library Science, he has contributed several articles to business and technical journals.

responsible were prepared, and specific rules for keeping each territory safe, clean and orderly were established.

As some areas were larger than others, classifications A and B were established, in order to equalize the competition between the departments.

Management members of the planning committee met with the department heads to explain the housekeeping program, secure their cooperation and outline duties and responsibilities of each. At the same time, a letter was sent to each employee, explaining the program and outlining the rules under which it would be conducted.

To help workers comply with the program, management decided on a four-step procedure:

1. Add more waste containers as needed.
2. Install signs and bulletin boards pertaining to the program.
3. Inform new employees of the program at indoctrination lectures.
4. Provide prizes for departments making the best records.

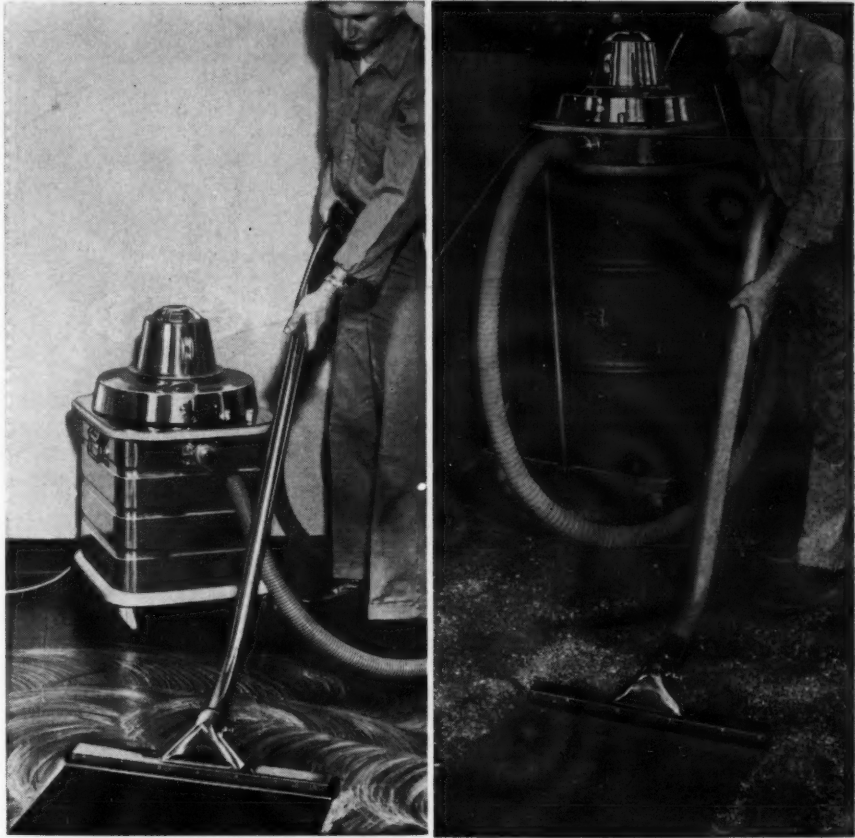
Department heads are responsible for the continued cleanliness of their areas, but not aisles or passageways. Those areas are the responsibility of the plant janitors who report directly to the plant manager.

Foremen supervise the cleaning of each area. The employees, in turn, divide among themselves the responsibility for cleanliness and orderliness within the department, the thorough cleaning of machines and equipment before the end of each shift, and the proper disposal of all waste and rubbish before the shift ended.

In addition, workers are required to return tools to their proper places, sweep those areas not the responsibility of the plant janitors, and check to see that the aiseways are clear of trucks, boxes, and the like. This applies not only to regularly assigned work areas, but also to any area to which a worker might be temporarily assigned to perform his duties.

Once the Tappan safety and cleanliness program was under way, the planning committee set up a permanent plant orderliness committee to continue supervising the program.

This committee, consisting of



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three members of management and four factory employees, makes a monthly inspection of the plant areas. At this time, each department is graded. The winning department is announced, as is the department having the lowest cleanliness and/or safety score. The committee then publicizes the results of the inspection as well as the over-all program.

To score, each department is given a starting score of 100 points. Points are deducted for such disorderly conditions as cluttered aisles, trash not placed in proper receptacles, and dirty or oily floors.

Following the inspection, scores are tabulated and management is given the results.

The scores earned by each department are given plant-wide publicity. The highest and the lowest scores are posted on bulletin boards, together with the departments receiving them. A trophy is presented to the winning department, and is displayed as long as that department is able to maintain first place.

Yearly tabulations of safety scores are made. The department with the best record for the year is presented with a gold trophy which it retains until the following year. Also, members of the winning departments are given a free "trophy dinner" in the company cafeteria.

Other incentive methods

Different incentives have worked for different companies.

For example, the Piasecki Helicopter Corp. of Morton, Pa., gives an "eight-ball award" to departments whose housekeeping is rated as poor.

At first, many such negative awards were given, and because of it, company officials say, marked improvements within the departments have been made. Now departments earning this doubtful award are difficult to find, even though housekeeping standards have been raised. Departments with the highest scores, as well as those winning the "eight-ball award" are posted on company bulletin boards and also publicized in Piasecki's house organ, *Tandemeer*.

Rewards for good housekeeping include, as with the Dayton Rubber Co. of Dayton, theater tickets, playing cards on which safety slogans

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are printed, and ball point pens. Banners, trophies, and citations are commonly given winning departments and, at Dayton Rubber, a group picture of the winning department is taken and published in the company magazine.

The Norris-Thermadore Corp. in California also publishes the names of the three winning departmental supervisors in its paper, and gives the score but not the name of the supervisor of the lowest scoring department.

I. T. T. Federal, a division of International Telephone and Telegraph in Fort Wayne, Ind., maintains a giant scoreboard just inside the entrance of its plant. Here the respective scores of each department are posted. No reward is given to either the departments or to individuals for good housekeeping in the plant.

The Esterbrook Pen Co. of Camden, N. J., gives each member of the winning housekeeping team a prize of a silver dollar. Here, because some operations differ, two leagues have been established. Scoring points have been adjusted for each, based on the nature of the area subject to inspection. Scores are accumulated and at the end of each year the department having the highest mean average score in the two leagues wins the annual reward: two silver dollars for each team member.

General Tire and Rubber Co., Akron, has a similar award program. Here all employees of the department with the highest monthly housekeeping score are permitted to draw for an individual prize, such as a toaster, steam iron, or other electrical appliance. Other prizes have included the choice of a car servicing (consisting of washing, lubrication, oil change, and 26 gallons of gasoline), or \$10 worth of merchandise of the employee's own selection.

The way to accident-proof your plant is to keep employees constantly reminded of danger in the smallest oversight and motivate them to make every effort to correct these oversights. Once they are as wary of hazards as management is, they will work for their own safety as well as the plant's. You'll have a low cost team of troubleshooters on constant lookout for potentially costly dangers. ■



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- ☐ I would like to have a one week FREE trial of a Conqueror Spirit Duplicator.

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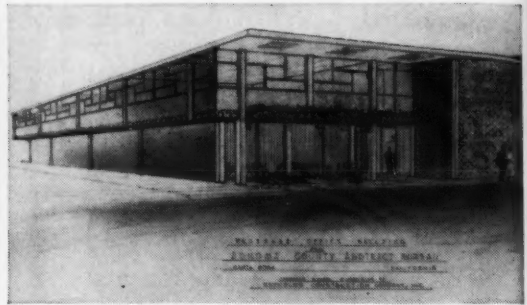
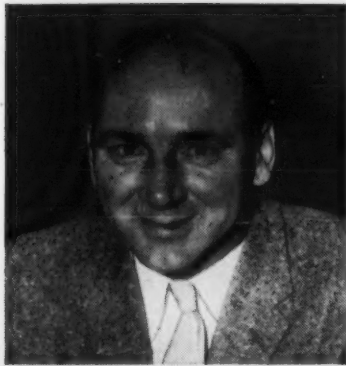
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Address.....

City.....Zone.....State.....

(Circle number 140 for more information)

J. G. REYNOLDS, PRESIDENT of J. G. Reynolds Construction Company.



THIS REYNOLDS' OFFICE BUILDING comes under the heading of "Future Events."



"... WITH A NATIONAL SYSTEM, we are able to handle the Job Cost and Accounts Payable with one person instead of three."

"Our *National* System
saves us \$6,900 a year...
returns 98% annually on our investment!"

—Reynolds Construction Company, Santa Rosa, California

"Our National Class '32' is the best investment we've ever made," writes J. G. Reynolds, President of the Reynolds Construction Company. "Now, thanks to our National Accounting Machine, we are able to handle an increasing volume of work with greater speed and accuracy."

"And by replacing an old hand-posting method with a National System, we are able to handle the Job Cost and Accounts Payable with one person instead of three. Thus, we have eliminated costly overtime and unnecessary salaries. In addition,

the information that our National provides... allows us to bid more accurately on work contracts, thereby insuring us of a better profit.

"We consider our investment in National a sound one. Why shouldn't we? After all, it saves us \$6900 a year... and returns 98% annually on our investment!"

J. G. Reynolds

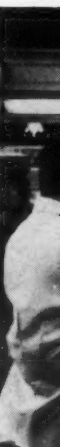
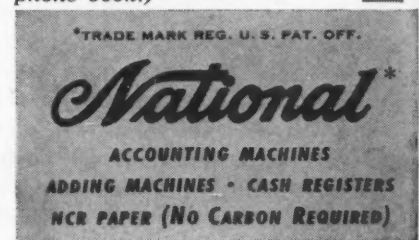
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Reynolds Construction Company

THE NATIONAL CASH REGISTER COMPANY, Dayton 9, Ohio

1039 OFFICES IN 121 COUNTRIES • 76 YEARS OF HELPING BUSINESS SAVE MONEY

(Circle number 161 for more information)

Your business, too, can benefit from the time- and money-saving features of a National System. Nationals pay for themselves quickly through savings, then continue to return yearly profit. National's world-wide service organization will protect this profit. Ask us about the National Maintenance Plan. (See the yellow pages of your phone book.)



32 ways to use a camera in your business

(Continued from page 47)

rings, brooches and other jewelry after purchase. He indexes the photos and files them away against the day when the item may be lost or stolen. Then his handy photo evidence helps old customers back up insurance claims.

If you manufacture any of a host of consumer products—luggage, automobiles, home furnishings, leisure and hobby items, etc.—consider packing photos with them for this purpose.

Baby sitter service

Here's a film idea you can adapt for rallies, conventions or retail events to which willing customers must drag unwilling small fry.

Supermarkets have developed a midget cartoon theater where struggling youngsters can be conveniently parked. The Lilliputian Theater is a self-contained unit which seats from 25 to 40 children at a time. The service costs enterprising supermarketees \$60 to \$75 a week and includes a revolving advertising cupola that defrays some of the expenses involved.

Stock checker



Your salesmen can pick up this camera suggestion for use on the road.

George Hardin of Medical Arts Pharmacy, San Mateo, Calif., has his clerks check shelves against photos showing them fully and properly stocked. He thus avoids lost sales from depleted stocks, doesn't annoy customers when the checking is done and doesn't do nearly the amount of personal supervision he used to for the job.

Why can't your salesmen, cameras in hand, perform this service for their retail accounts? They can shoot the shelves as they should appear, then come around periodically to check against the photos for missing items. One valuable plus: the salesmen get a reliable idea of how large an order they can count on.

Package design test

Have you ever wondered about how consumers really react to your packages? Try using the hidden camera technique employed by Marathon Corp., Menasha, Wisc.

The company plants cameras in supermarkets to gauge shopper reaction to such variations in packaging themes as the fashion food illustrations on ice cream cartons. It uses the results obtained from such tests to improve designs and sell new packaging ideas to clients.

Growth stimulant

Photography can give your promotional program a welcome shot in the arm even if your budget is limited.

One small southwestern drilling company presented a cinematic prestige story about its new eight-to-10-times faster drilling procedure on 16mm film. Within two months, the company had to hire 30 new employees in order to handle new business the film brought in.

You must have a unique story to tell about your own company. Try wrapping it up on movie film and make it part of your promotional message.

SALES BUILDING IDEAS

Sell through the lens

Business films can give a tremendous boost to your company's sales. They have proved effective for products as diverse as steel and insurance.

For example, Cleveland's Republic Steel traces a large share of a \$350,000-per-month sales gain to the effective use of 16 business films—keystone visual training aids in its 1957-initiated "Order Makers Institute."

And Continental Equity Life Insurance Co., Alexandria, Va., finds "one motion picture worth a thousand actuarial tables." Just two specially-produced sales movies helped it to a one hundred percent, plus, sales upswing (from \$3½ million to \$8 million) in a scant four months.

There is surely some aspect of your sales program, too, that can be made more effective through this use of films.

Photo mailings

A camera and some postage stamps can effectively publicize your company's products or services.

When the Joseph J. Carbone Co., Boston, gets in a new shipment of merchandise, word gets around fast to antique buffs on the company's list. The firm simply photographs choice items and mails prints of them to prospective customers.

What could be simpler if you have news about your own firm which you would like to publicize?

Let your message linger

Pictures left with a prospect keep your story working for you long after your salesman leaves.

General Electric Appliance Co. uses miniature

Your Heart is the **TARGET** of Enemy #1



You might work at a lathe, on a tractor, behind a counter, behind a desk. It makes no difference. No one is immune to the heart diseases, our nation's #1 health enemy.

✓ Your Heart Fund is your #1 defense. Your contributions support heart research. You make it possible for your Heart Association to bring the latest research advances to your physician—and to protect your heart and all the hearts you love.

GIVE TO HEART FUND



FIGHT HEART DISEASE

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Bring sales-building ideas into focus — on film.

model kitchens and picture-a-minute cameras for this purpose when calling on housewives.

The salesman sits down with Mrs. Homemaker and the two lay out her "dream" kitchen on the miniature model. Once agreed on the ideal plan, with appliances positioned as desired, the salesman snaps a picture of the model and leaves the photo with the housewife.

It serves as a constant reminder of what the company can do for her once she makes up her mind. And it helps her make her mind up, too. She can refer to it while discussing the plan with her husband, while mulling over the costs involved or while refining the plan itself.

This picture-the-plan-for-your-prospect idea can easily be used for presenting a variety of goods and services to both the general public and to industrial consumers.

One-customer movie

How much should you spend on photographic aids to business? That's something you must decide for yourself, relating costs to expected results.

A case in point: The story told among business film producers and sponsors of a sales film that had a per-viewer cost of \$50,000. But it also sold \$22 million worth of railroad diesel engines to its single-customer audience!

You can direct your photo efforts at many levels of your market or zero it in on one, exclusive target. The versatile camera is always ready to do your bidding.

Hard sell, low budget

A fragile budget—which allows for camera and film—can still produce some hard sell campaigns for your business.

Though limited by an under-\$1,000 budget, Willy's Overland Export Corp. recently went ahead with a short promotional film. Required were one prototype truck it was trying to promote and only 12 hours of shooting time. The truck was borrowed from the engineering department and put through its paces over the prescribed rough terrain as the cameras ground out a highly effective \$850 movie.

Remember, if you are ever faced with a similar problem, the cost of shooting one such film covers its re-use over and over for as long as you want to promote the product.

Photos close the deal

You can often sway undecided prospects with visible, photographic proof of the value you offer them.

Sharkey's Tire Service, New Bedford, Mass., gets good sales mileage out of salesmen's photos of worn front tires on parked cars. The owners, traced from license plate numbers, quickly become customers when they see the poor condition of their tires through the accurate eye of the camera.

Fidelity Roof Co., Oakland, Calif., gives the same technique wings. It shoots aerial photos of rooftops,

sending salesmen in to pinpoint those in need of repair via close-up still photography.

How about your own business? Can it gain sales by using this proof-positive photo technique?

Sales resister

Sales resistance—in movie form—is a sure-fire way to sharpen the strategy of your sales staff. Here is how Orchid Brothers uses this method.

A movie screen that talks back helps their prospective door-to-door salesmen hone up on the way to clinch sales. The men listen to objections raised by tough-sell screen customers, then answer back. The sales training manager looks on and offers helpful criticism.

You can improve your sales training program this way no matter what business you're in. All you need: a camera, some film, a projector and a screen.

Performance record



To best demonstrate what your company can do for a client, you still can't beat before-and-after photos.

Lambert Associated Companies, Inc., a Dallas, Texas, landscaping firm, takes as many as 50 photos before it begins a job. After it is completed, another set of pictures shows what improvements have been made. One and two years later, additional photos are taken. The complete set is often used by the company president in his lectures before garden clubs and civic groups in his firm's seven-state area.

The before-and-after kits you compile to illustrate your company's services can work for you in the same way—years after you've completed a job.

TIME SAVING IDEAS

One picture is worth . . .

Filmed instruction is a universally understood business tool. It has even helped overcome language barriers in the Near East.

(Continued on page 106)



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Very few purchasing agents and office managers (if any) have hung by their heels to examine our furniture . . . but if they can stand it, we can! Because Bentson quality equipment looks good from any point of view. Sharp, clean lines reflect an efficient, successful business. Rugged bracing "down under" is your guarantee you are getting your money's worth. Wide choice of leg styles, top edges, back panels . . . and literally scores of solid and two-tone color combinations! (P.S.—We make files, too,—the best!)

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(Circle number 109 for more information)

Your camera can trim costs, speed

One American engineer takes moving pictures of field operations, then projects them for native employees of a U.S. oil company in Saudi Arabia. Result: readily-understood instruction without time-wasting translation.

If movie instruction works so well where there are language barriers, imagine how much more effective it would be in your own business where language is not a problem.

Quicker than the eye

Movies can eliminate many of the problems involved in redesigning high-speed machinery.

Pump engineers at the Gardner-Denver Co., Quincy, Ill., had worked for years on valve action problems although, until recently, the valve had never actually been seen in action. Then they devised a recording method using high-speed motion pictures.

"It was," said a company official, "as if we were working with something in the dark all the time. Then someone turned on the lights." Result: design advances that substantially increased pump efficiency.

You may have a design problem in your plant right now that can be solved in the same way.

For public inspection

Instead of touring visitors through your plant—and disrupting production—why not bring the plant out to them in the form of pictures?

This is essentially what one Los Angeles cleaning establishment owner did. Lacking the time to tour his customers through his plant, he took interior photos and posted them in his window for his customers to see.

Any business firm can do the same thing by displaying photos of its plants or offices out in the reception area for public viewing.

Graphic record

A photo file kept at company headquarters can serve several functions at once.

Field engineers of Florida Light and Power Co. send 3-D color photos of repair data and construction details to the home office for reference. The company's slide backlog, built up over many years, is invaluable for orienting new employees, filling in engineers on FL&P's past performance and keeping an up-to-date record of repair and construction facts.

The important point here for businessmen: it is done at far less cost in time and money than personal visits to widely separated sites.

Improvement through pictures

Film can be your strongest argument in selling employees on needed company improvements. One tested method is to match up old and suggested new ideas side by side on a strip of movie film.

This "split frame" technique was used by a major photographic firm to stress the merits of a new sorting

production, boost efficiency.

system. One girl, shown using the new method, finished her work in half the time—while the second struggled on with the old system.

New and old methods can be effectively compared with this split frame presentation. It makes its point briefly and clearly—an important consideration for you when persuading employees of the merits of a newly adopted system.

Permanent log

When you need a visible account of test results performed under harsh conditions, turn to the camera.

Test technicians of one missile maker were pleased recently to learn about rugged photographic recording. A recovery parachute failed to open during a test and sent a projectile spiraling to the ground. The high-speed camera inside the missile was smashed—the film chopped up but unexposed in the light-tight casing. At the laboratory, the film chips were developed and pieced together into a recognizable record of the event.

Take another look at your own testing program. You may be conducting gruelling tests of products, machines or production techniques that can best be recorded with a camera.

Goodwill photo file

Your roadmen, equipped with cameras, can cement good customer relations for your company.

One upstate New York executive boosts goodwill for his firm by snapping desk-side photos of every incoming space salesman. Then he's never without the right first name or the right magazine for the right salesman at the right time.

How can your roadmen adapt this idea? They can maintain complete photo files on all customers and prospects. They can send or take extra prints to new customers as the first follow-up. And they can leave the next salesman in the territory with a photo introduction to each customer.

Installation guide

Cameras are indispensable tools in speeding new plant construction and expansion programs.

A field supervisor for Electric Storage Battery Co., Atlanta, Ga., snapped progress photos of a new industrial plant being built. The prints were sent to the home office together with regular written reports.

Other photos, taken at widely scattered plants, showed clearly how equipment should be installed in the new branch. Architects, contractors and others working on clearance problems, piping and ventilation set-ups and finished installations found the reference photos of great help to them in cutting working time.

The camera can perform equally well for you in your business. Keep it in mind—and on hand—the next time you plan to expand your own plant. ■



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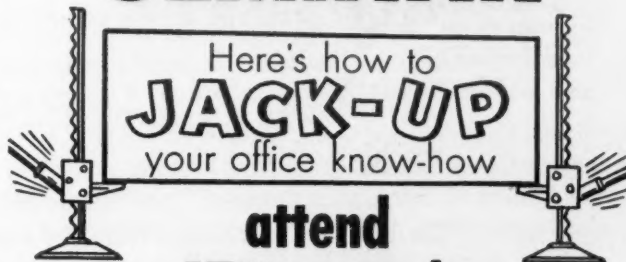
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Here is an opportunity to use a comprehensive new analysis showing who makes the decisions in the purchase of school equipment and construction materials and services.

The report shows the widespread misunderstanding of the role that key people play in these buying decisions—how this misunderstanding now offers many companies a powerful opportunity to begin or expand sales to this mushrooming market.

This comprehensive new report includes detailed information on major buying influences, sizes of the market, profit opportunities, people and organizational groups with buying authority and comparative costs of reaching all groups.

To help us identify advertiser interest in the school market, you may have a copy of this interesting new report—without cost or obligation. We will mail you a copy if you simply write on your company letterhead to Research Director, School Management, 22 West Putnam Avenue, Greenwich, Connecticut.

SCHOOL MANAGEMENT

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School Office Equipment
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Auto-leasing

(Continued from page 52)

where leasing might not be the best solution.

1. If a company has a surplus of working capital and is operating its fleet efficiently, it would be foolish to hire a leasing company's capital to buy a fleet, pay leasing charges and then have the company's surplus working capital sit idle in the bank. In this situation, the company might just as well own its own fleet. However, some companies tell us that even though this was the situation, they went into leasing anyway. Why? They wanted to get out of the automobile business and stick to making widgets.

2. Companies whose salesmen travel low mileages (around 1,000 miles per month) primarily in cities can usually save money by paying mileage rates, if they can keep under 10 cents per mile. If salesmen don't mind supplying their companies with \$2,300 or more of working capital, why should the companies make a change?

3. In some industries, as in door-to-door selling, salesmen are not reimbursed directly for using their own cars. Many of these companies are satisfied with this setup and find it advantageous. However, these companies really are paying for the use of these salesmen's cars by the size of the commissions they pay.

Auto fleet leasing has grown because it is based on the principle that profits are earned on use of capital, not ownership of capital. The long term trend is that company ownership of fleets will be replaced by leased fleets, particularly as credit gets tighter, while employee-ownership of fleets will decline slowly, but surely. The decision will be made by economic efficiency. ■

FREE BOOKLET

A complete analysis of the comparative costs of different methods of fleet operation has been developed by the Foundation for Management Research, Chicago. Complete cost charts and tables are included in the 28-page study. It is entitled: "Advantages and disadvantages of Auto Fleet Leasing: A Comparison of Company Ownership, Salesman Ownership, and Leasing." Single free copies of this study are available by writing to the Foundation for Management Research, 121 West Adams Street, Chicago 3, Illinois, or by circling number 200 on the Reader Service Card.

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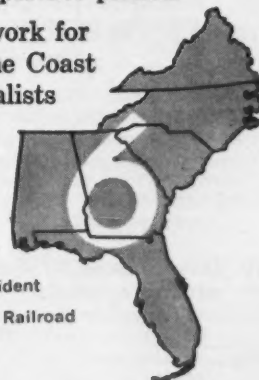
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Any five reprints	\$2.50	Up to 15 reprints	\$6.00	Up to 25 reprints	\$7.75
Up to 10 reprints	\$4.50	Up to 20 reprints	\$7.00	More than 25 reprints	25¢ each

Number

11. Lease it—don't buy it

The cash-conscious businessman can often free working capital and get tax savings if he leases equipment. These cases show how.

23. Why forecasts fail

Forecasts often fail because decision-makers overlook their limitations. These examples will help you sharpen your decisions based on forecasts.

24. Office space changes can be painless

It's usually expensive to change your office layout. But this common sense modular basis of office design can save you money—and time.

25. 15 ways to develop managers

Here are 15 tested ways to develop management skill at all levels in your firm. If you can't use these specific ideas, they will spur lots of others.

26. How to manage research and development

Improved management of research equals better research results. Measure your research management against the tested methods outlined.

27. How to rate an advertising agency

Your present ad agency is probably best for your firm. Use this checklist to be sure—or to rate other agencies that may court your business.

28. Stop wasting your time, Mr. Executive

Many efficient managers are trapped into overtime because they waste time. Here's how to stop that costly waste and cut unnecessary hours on the job.

29. How to design profits into your products with value analysis

Value analysis, originally an engineering concept, brings big profits when used to improve product design. These cases show how the concept works.

30. How to improve your selection of advertising media

Good ads in the wrong media produce poor results. This article tells why so many ads are in the wrong places and what to do about it.

31. How to make a merger

At the stroke of a pen, you can achieve results through a merger that often take months or years to accomplish. But it's how you do it that counts. Here's how to avoid the pitfalls and make a merger profitable.

32. How to get profits—not problems—from creative people

Creative people can bring big profits—and big problems. Here's how to find the creative people in your company, overcome the problems they present and steer their creative drive.

33. Selling to schools is highly profitable.

Here are facts on the buying practices and structure of the school market—a huge market that's growing fast.

34. How to plan your business trip to Europe

You can mix business with pleasure—profitably. Here are facts on how to get the most value at least cost out of a business trip to Europe.

35. Air cargo is cheaper than you think—right now

Air cargo's lowering rates mean faster and easier expansion of markets. This article tells you how you can profit by using air cargo and when you cannot.

36. *How to tackle the problems of your personality—and How to tackle causes of executive failure

A two-part article, reprinted in its entirety. Here, five management psychologists tell you what makes an executive tick—his problems and how they affect subordinates.

*Up to five copies of this 24-page reprint: \$1.00 each; up to 15 copies: 85¢ each; more than 15 copies: 75¢ each. Prices on request for quantities over 100.

AND IN THIS ISSUE

37. How to cure those costly "I've got a cold" absences

Many colds are not colds at all—they're simply excuses to stay home. Here's how to cure the so-called "sickness absences" that cut deeply into your company's profits.

38. What does it cost when you lease an auto fleet?

Many firms are turning rapidly to providing leased cars for their salesmen—according to a major survey just completed. Here are the findings of the survey, together with other facts to support the case for auto leasing.

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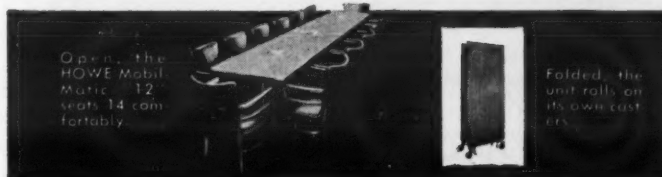
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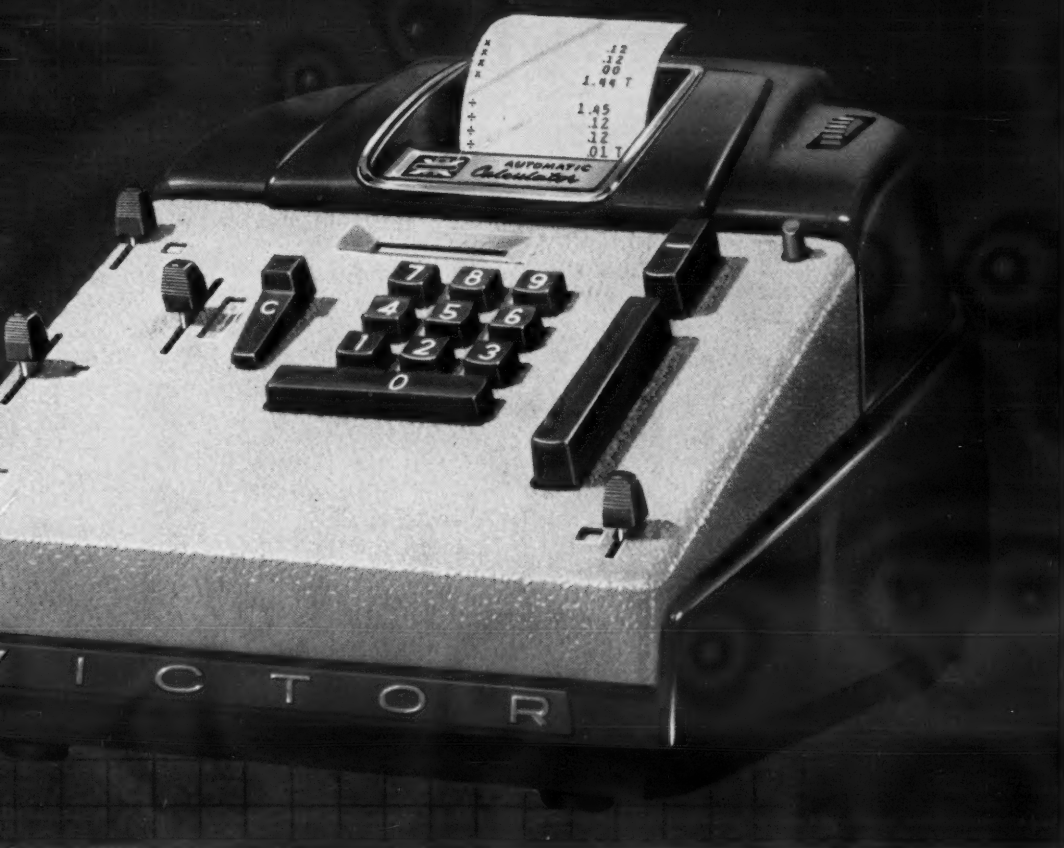


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